DOCUMENT RESUME

ED 427 116 UD 032 761

AUTHOR	Crooks, Mary L.; Webb, Marcia; Forster, Jacinda
TITLE	The Price We Pay: Young People, Poverty & Long-Term Unemployment in Australia. A Report to the National Youth Affairs Research Scheme.
INSTITUTION	National Youth Affairs Research Scheme (Australia).
ISBN	ISBN-1-875236-37-6
PUB DATE	1996-00-00
NOTE	76p.
AVAILABLE FROM	Australian Clearinghouse for Youth Studies, ACYS, Youth Studies Australia, GPO Box 252-64, Hobart, Tasmania 7001, Australia ($17 includes postage in Australia and New Zealand; overseas postage extra).
PUB TYPE	Reports - Research (143) -- Tests/Questionnaires (160)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	*Costs; Economic Factors; *Educational Attainment; Foreign Countries; Labor Market; Policy Formation; Public Policy; Social Problems; *Socioeconomic Status; Training; *Unemployment; *Young Adults
IDENTIFIERS	*Australia

ABSTRACT

A study was conducted of the social and economic costs of persistently high youth unemployment in Australia. The impact of youth unemployment and education, training, and employment policies that might help the situation were also studied. Data were obtained from 13 focus groups, involving 102 young people who were not employed or were from families that had experienced the effects of long-term unemployment. Following an introduction to the costs and consequences of youth unemployment, section 2 outlines some key socioeconomic dimensions of Australia's young population, along with labor market trends, and the incidence of long-term unemployment. Section 3 examines the issues of poverty and long-term unemployment, focusing on social aspects. Section 4 outlines the educational, training, and employment responses that have characterized Australia's response to structural change, labor adjustment, and continuing high unemployment. Section 5 considers the costs of unemployment, and section 6 summarizes the conclusions and calls for innovative thinking by policymakers to improve the unemployment situation. Appendixes contain the participant questionnaire and a list of organizations and individuals participating in key discussions. (Contains 1 figure, 13 tables, and 183 references.) (SLD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 427 116

NATIONAL YOUTH AFFAIRS RESEARCH SCHEME

THE Price We Pay

Young people, poverty and long-term unemployment in Australia

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

A. Ale
ACYS

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

UD032767

BEST COPY AVAILABLE

NATIONAL YOUTH AFFAIRS RESEARCH SCHEME

The National Youth Affairs Research Scheme (NYARS) was established in 1985 as a cooperative funding arrangement between the Commonwealth and the State and Territory Governments to facilitate nationally based research into current social, political and economic factors affecting young people. Research reports are distributed by NYARS representatives in each state and territory. Previous NYARS reports are listed below. If seeking informaton about the reports please note:

- Reports published between 1989 and 1991 may be accessed only through the NYARS representative in your state or territory youth affairs office.
- Only those reports marked with an asterisk (*) are available from the National Clearinghouse for Youth Studies, details below.
- In 1993 NYARS commissioned from the Australian Bureau of Statistics a series of statistical porfiles of Australian young people from each state and territory. These may be purchased only from the ABS or Government bookshops.

1989-1991 Reports

(accessible only through NYARS representatives)

Youth at a Glance (Pamphlet)

Public housing for young people: A review of issues researched, a position paper by Rodney Fopp, 1989.

Young people and health: An overview of current research, by Cathy Boland & Adam Jamrozik, 1989.

Education costs borne by year 9 secondary students, by Bruce Wilson & Johanna Wyn, 1989.

Information services for young people: Information provision strategies and levels of young people's information needs, by DOMensions Consulting Pty Ltd, 1989.

Youth participation: Influence on youth policy, by Colin Menzies with Paula Kelly, 1989.

Long-term accommodation for young people, by Rodney Fopp, 1990.

What price independence? Report of a study on young people's incomes and living costs, by Robyn Hartley, 1990.

New directions: Young volunteers in Australian youth services, prepared by Kate Barnett & Paula Kelly, 1990.

Improving services for rural young people: strategies for change, prepared by Linda Barker & Karen Milligan, 1990.

Young people and consumer credit: Summary, compiled by E. Eugene Clark, Department of Law, University of Tasmania, 1991.

Young people and consumer credit: Full Report, by Deborah O'Mara, DOMensions Consulting Pty Ltd, 1991.

Young workers in technologically advanced industries, by Sue Whyte & Belinda Probert, Centre for International Research on Communication and Information Research (Circit), 1991.

Mental health and young people, prepared by Michael Sawyer, David Meldrum, Bruce Tonge, and Jenniter Clark, Research and Evaluation Unit, Child and Adolescent Mental Health Service, Adelaide Children's Hospital, 1992.

Latest Reports available from NCYS

- *Perceptions of the treatment of juveniles in the justice system*, by Christine Alder, Ian O'Connor, Kate Warner & Rob White, 1992, 83pp., $17.
- *Young people as victims of violence*, a Discussion Paper by Boronia Halstead, Australian Institute of Criminology, 1992, 28pp., $12.
- *The health of young Aborigines aged 12 to 25: Full Report*, by Maggie Brady, Australian Institute of Aboriginal and Torres Strait Islander Studies, Canberra, 1992, 51pp., $17. *Short Report for Aboriginal communities*, by Pamela Lyon, 1992, 30pp., $12.
- *National Youth Data Index*, by Lionel Davis Consulting, 1993, 102pp., $20.
- *The position of young people in relation to the family*, by Robyn Hartley & Ilene Wolcott, 1994, 103pp., $20.
- *Employment development: Do young people benefit?* by Edgar Carson & Leone Doube, 1994, 49pp., $17.
- *Where Now? Destinations of young people who miss out on higher education*, by Damian Smith, 1994, 48pp., $17.
- *Young people's perceptions of and attitudes to sexual violence*, by Leonie Daws et al., 1995, 92pp., $20.
- *Young people living on the urban fringe*, by Ian Winter, 1995, 53pp., $17.
- *A ticket to services or a transfer of rights? Young people and guardianship*, by David Tait, Terry Carney & Kirsten Deane, 1995, 54pp., $17.
- *Young people and self-employment in Australia*, by Peter Kenyon & Simon White, 1996, 42pp., $17.
- *Homelessness among young people in Australia: Early intervention & prevention*, by Phil Crane, Jillian Brannock et al., 1996, 122pp., $20.

Order from the National Clearinghouse for Youth Studies, GPO Box 252-64, Hobart Tas 7001, phone 03 6226 2591, or fax: 03 6226 2578 with credit card details.

BEST COPY AVAILABLE

A report to the
National Youth Affairs Research Scheme

THE Price We Pay

Young people, poverty & long-term unemployment in Australia

by Mary L. Crooks (Chief Researcher)
Marcia Webb (Co-investigator)
Jacinda Forster (Research Assistant) &
Jim Williamson Novus Research (Costs sub-consultancy)

Copyright © 1996, **National Youth Affairs Research Scheme**

ISBN 1 875236 37 6

This paper has been prepared for the National Youth Affairs Research Scheme and is intended to provide background research and other information as a basis for discussion.
The views expressed in this paper are those of the authors and are not necessarily those of the National Youth Affairs Scheme Coordinating Committee, Youth Ministers Council or individual Commonwealth or State/Territory Ministers or Departments responsible for Youth Affairs.

Published by the
National Clearinghouse for Youth Studies
Hobart, Tasmania

Acknowledgments

There are many individuals who have assisted us with this study. Our gratitude is expressed to all of the participants in our focus group discussions. It was not necessarily easy for them to talk freely about their unemployment and yet everyone was generous in their effort and time.

Various people helped us to set up these group discussions, including some members of the NYARS Committee and local community workers.

We also spoke with many people working in government and community agencies who gave us ideas, and pointed us in the right direction with regard to other contacts and literature.

Finally, we would like to thank the NYARS Committee for the feedback on aspects of the research. It became clear through the course of the study that our respective pre-school children showed little respect for the project's schedule and there has been, as a result, some slippage in the timelines. We are grateful to the Committee, and its Chairperson for the life of this project, for their forbearance.

Mary L. Crooks

Contents

Tables and Figures vii

1 Introduction 1

Research framework 2

Objectives 2

Project method 2

Organisation of this report 4

2 The social and economic context 5

Some key social dimensions 5

Population 5

Family formation and family type 6

Health 6

Juvenile justice 7

Homelessness among young people 7

Education 7

The Economy and labour market 8

Global economic change 8

Labour market trends 9

3 Unemployed & poor: The impacts on families & young people 15

Poverty in Australia 15

The concept of relative poverty 15

Measuring poverty 16

The relationship between poverty and unemployment 17

A general picture of the impacts of unemployment 18

The struggle to survive 18

Young people's experience of unemployment 20

Education, employment and training: The young and the marginalised 23

4 Policy and program responses 25

The evolution of program and policy responses 25

Theme 1: An increased emphasis on education retention 26

Theme 2: Linking young people to work and training 27

Theme 3: A sharper focus on work skills and industry relevance 28

Theme 4: Integration of income support policies and labour market programs 30

Deeply disadvantaged young people and the labour market 31
Long-term unemployment and the barriers to employment 31
Tailoring the responses 32

The question of adequacy and effectiveness 34
The key dimensions for evaluation 34
The scope for improvement: Some key criteria 37

5 The costs of youth unemployment 39
The costs of unemployment: A general picture 40
A qualitative assessment of costs 40
Measuring the costs in dollar terms 40

Estimating the cost of unemployed young people impoverished or at risk of poverty 41
Key conceptual issues 42
Some methodological issues 42
A working approach 42
Individual costs 43
Community costs 45
Bottom line individual and community costs 47
Bottom line costs of long-term unemployment in lowest income quintile 47

4 Conclusions and future directions 49
Young unemployment at crisis point? 49
The cost burden 49
Disconnection from mainstream work and society 50
Strong, practical and individualised supports 51
Political will and appropriate economic policy choices 51

Future directions 52
Some critical issues for public policy 52
Responses and solutions: A broad sweep 54

National politics and youth employment 58
Labor's Young Australia 58
The Coalition Youth Policy 58
Economic choices and commitments 59

Appendix 1: Questionnaire 63

Appendix 2: Participants in key discussions 64

Bibliography 65

TABLES

Table 1:	Young employed persons: Full-time and part-time workers, August 1995	9
Table 2:	Young unemployed persons: Birthplace, August 1995	10
Table 3:	Young unemployed persons: States, August 1995	10
Table 4:	Young unemployed persons: Duration of unemployment, August 1995	11
Table 5:	Poverty lines: Australia, June quarter 1995	16
Table 6:	Poverty lines compared with the income of adults who receive maximum Social Security payments and have no other income	17
Table 7:	Post program labour market status of participants of training programs	34
Table 8:	Labour market program commencements (1994–95)	36
Table 9:	Total numbers of long-term unemployed	44
Table 10:	Long-term unemployed adjusted for participation in education and discouragement	44
Table 11:	Estimate of net income foregone – dollars	45
Table 12:	Estimated individual cost of young long-term unemployed persons – yearly	45
Table 13:	Community costs of long-term unemployed in dollars 15- to 24-year-olds	47

FIGURES

Figure 1:	Dates and locations of focus groups	3

BEST COPY AVAILABLE

Section 1

Introduction

AUSTRALIA has had persistently high youth unemployment over the past 15 years. In August 1995, there were 271,300 unemployed young people in Australia. It is conservatively estimated that approximately 55,000 of these had been unemployed for more than a year.

While long-term unemployment is damaging at any age, the youth unemployment experience occurs at an especially critical time – during the transition to adulthood. When young people are unemployed for a sustained period, they are most likely to be experiencing great personal and material hardship. Unemployment is not about leisure time, it is about subsistence living, the loss of personal autonomy and control and social alienation – an unpromising start to adult life.

In an era characterised by a relentless search for efficiencies, the costs of youth unemployment and the inefficiencies it represents, seem to be ignored. Yet the evidence of the huge cost burden of youth unemployment is strong, not only in the way it marginalises many young people and destroys their hopes, but also in the economic costs to individuals and to the community.

The high costs of youth unemployment, one of the major themes of this report, suggest a new policy mindset and seriousness of purpose is required to address the problem of unemployment, and long-term unemployment, among Australia's young people.

While all the political parties express their commitment to acting on youth unemployment, the debate has left many central questions untouched. Why is a wealthy, developed country unable to provide employment for all of its young people? What does it cost us as a society to have a significant level of long-term unemployed youth? What do such young people do in the year or more when they are unemployed? How do they get by? What is their future? How confident can we be about reducing youth unemployment if we follow the same economic policy prescriptions which have created and tolerated high levels of unemployment for the past 15 years?

Early in our research, we felt uneasy about producing yet another report on youth unemployment – especially as we sat and listened to the 19-year-olds who have not been able to find work since leaving school a year or more ago. We found, however, that while there is extensive literature on youth unemployment, from the early 80s in particular, there is no synthesising work bringing material together in a way

that would support debate about these deeper questions.

In aiming to produce such a work we have included in this report an outline of relevant labour market trends, social impacts and costs, and policy and program responses. We recognise that practitioners who are caught up with the issue of youth unemployment in their working lives do not necessarily have the luxury of time to seek out a range of primary sources. In order to produce a useful synthesis, we have in some instances gone to greater lengths than what we sense the research objectives demanded by way of literature review.

We have also tried to address another neglected area – the impact of sustained unemployment on young people's lives. Clearly, the experience of unemployment is not the same for all young Australians. A short period of unemployment for those with strong family back-up will not have the same impact as long-term unemployment on a person who has no social or economic support and who may be in temporary or insecure housing.

These concerns led us to develop and emphasise a three-fold breakdown of the conventional notion of labour market disadvantage. In this, we have assumed that unemployment in general places young people at a *disadvantage* in the labour market. When young people are out of work for more than a year, we believe they can be considered to be *severely disadvantaged*. When young people are long-term unemployed (52 weeks or more) and belong to the lowest income quintile (the lowest 20%), they are both impoverished and out of work. These represent the most *seriously disadvantaged* of young people with respect to their work and life chances.

Research framework

Objectives

The brief developed by the National Youth Affairs Research Committee identified the objectives for this research:

- to estimate the social and economic costs of young people living in poverty as a result of their own, or of their family members' sustained unemployment. These costs could include direct costs to governments, including costs of unemployment benefits, labour market programs and other support services to the general community by way of community sector support programs; and indirect costs such as lost productivity;
- to review Australian and overseas literature on the effects of poverty on families as a result of sustained unemployment, and in particular its effects on young people (12 to 25 years);
- to identify the impact on young people who grow up in families whose members have not participated in the labour force for extended periods of time in terms of young people's participation in education, employment and training;
- to review current education, training and employment policies in terms of their appropriateness for addressing the needs of young people disadvantaged by the effects of poverty as a result of sustained unemployment; and
- to identify strategies in education, training and employment which will reduce the risk of poverty for young people as a result of sustained unemployment.

Project method

The research for the project involved four parts – a literature search; discussions with people from key organisations; a series of focus group discussions held mainly with young people, and a statistical and qualitative analysis of the costs issues.

Literature search

The literature search was concentrated in the first half of the project although additional texts and articles have been considered since. The span was deliberately wide to include youth unemployment, long-term unemployment, poverty, families in poverty, the costs of unemployment and labour market trends and responses.

Discussions with people from key organisations

These discussions occurred at several stages throughout the research. Initially, the focus was on contacting people in government and the community sector whose experience and expertise could assist in compiling and constructing a detailed understanding of cost issues, the impacts of poverty and current education, employment and training policies (See Appendix Two for a list of the organisations represented).

As the research progressed, further discussions were held on other aspects of the work including issues of economic policy, directions of labour market programs and the social dimensions to poverty and long-term unemployment.

A series of focus groups

A series of focus groups took place with young people who were long-term unemployed themselves and/or who lived in families which had experienced long-term unemployment.

Thirteen group discussions took place. While these were spread across five states, the majority occurred in New South Wales and Victoria. One of the groups consisted of parents who were long-term unemployed.

Figure 1 provides the composition of these groups as well as the dates and their locations. The project team was assisted by people in relevant government departments and community agencies in contacting young people for the focus groups.

Each discussion group ran for one to two hours, with the facilitation provided by the project team. Discussions were recorded on audio tape for project use only and confidentiality was assured. Prior to the discussions, participants were asked to complete a proforma (Appendix One) which enabled the project team to build a broader profile of participants beyond that gleaned from discussion. An amount of $30 was paid to each participant and travel costs were either fully or partly met.

The focus groups were reasonably open-ended to the extent that the facilitators relied only on a set of agreed general leads and probes. The following themes were explored:

- young people's experience of poverty as a result of their own, or of their family members' sustained unemployment;
- their estimation of the economic and social costs associated with their own or family situation;
- their perceptions of the impacts of long-term unemployment;
- their aspirations with respect to education, work, lifestyle and personal goals;
- their direct experience of education and training programs; and
- their own views on what is needed in the way of support for them and their families.

In all, 102 people participated in the focus group discussions. The research team is mindful that these groups were not drawn randomly and as such, the study cannot assume the material gained from them has the representative status accorded to survey sampling. The groups nonetheless proved extremely insightful. Their real value, as a qualitative tool, lies in being able to merge the experience and realities of long-term unemployment with the other research and policy perspectives which developed throughout the project. Indeed, we have made frequent anecdotal use of the focus group material in the research report as a way of signalling the need for readers to appreciate the actual experience of long-term unemployment when they reflect on the problem and possible responses.

A costs estimate

The task of estimating the costs associated with young people living in poverty as a result of their own or their families' long-term unemployment was carried out by Novus Research. As we understood it, the specific research objective concerning the costs of unemployment and the timeframe for the project precluded the development of a comprehensive and dynamic econometric model. This constraint notwithstanding, we saw great value in opening up this costs issue by taking some important first steps. The outcome is a conceptual approach with two objectives in mind – the calculation of an economically acceptable and transparent estimate of such costs, and a set of critical leads for a broader debate and more detailed economic research.

Figure 1: Dates and locations of focus groups

Date	*Location*	*Group details*
22 May, 1995	Second Storey 57 Hyde St., Adelaide S.A.	Inner Metropolitan young women
22 May, 1995	Second Storey, 57 Hyde St., Adelaide S.A.	Outer metropolitan young men.
23 May 1995	Community Services Building, City of Maribyrnong VIC	NESB young women.
30 May, 1995	Berkeley Neighbourhood House, Winmar Way, Berkeley (Wollongong) NSW	Rural/provincial young men and women.
30 May, 1995	South Sydney Youth Services,Cnr Allan & Elizabeth Sts Waterloo NSW	Inner metropolitan young men and women
31 May, 1995	Community Hall, Cnr Barbara & Harris Sts Fairfield NSW	NESB young men
31 May, 1995	South Sydney Community Aid, 118 Regent St., Redfern NSW	Koori young women
2 June, 1995	Fitzroy VIC	Koori young men
7 June, 1995	Ipswich City Council Cnr South & Nicholas Sts Ipswich QLD	Rural/provincial young men and women.
8 June, 1995	Ross House, Disability Action Centre, 247 Flinders Lane Melbourne VIC	Young men & women with disabilities
9 June, 1995	Brosnan Centre, Brunswick VIC	Ex-offenders young men & women
16 June, 1995	Holmsglen TAFE Waverley Campus VIC	Parents
19 June, 1995	HYPO, Hobart TAS	Outer metropolitan young women

BEST COPY AVAILABLE

This aspect of the project involved the examination of specific literature and close liaison between the sub consultant and members of the research team, especially in relation to the conduct and outcomes of the focus group discussions held with long-term unemployed young people. Most of the data used in the estimate of costs were drawn from the Australian Bureau of Statistics (ABS).

Organisation of this report

The report is in six sections. Following this introduction, Section Two outlines some key socioeconomic dimensions to Australia's young people, along with labour market trends, and the incidence of long-term unemployment.

Section Three examines the issue of poverty and long-term unemployment among young people. It concentrates in particular on the social impacts of unemployment and presents a series of observations stemming from our focus group discussions with unemployed young people.

Section Four outlines the educational, training and employment responses which have characterised Australia's response to structural change, labour market adjustment and continuing high unemployment.

Section Five considers the costs of long-term unemployment among Australia's young people. There is first a brief treatment of the way in which people have approached the costs issue. The main part, however, is devoted to our own estimate of these costs – to the individuals concerned, as well as to the broader community and national economy.

Section Six draws a number of conclusions from the research. In a discussion of future directions and strategies, it calls for a different mindset in the thinking of policymakers if Australia is to be serious about the well-being of its current, and future generations of young people.

Section 2

The social and economic context

Accurate data are an absolute prerequisite for measuring the health and well being of a community ... When it comes to children and youth, it is more difficult to obtain accurate information ... Anecdotes, hypotheses and political pressure tend to determine policy rather than reasoned cogent arguments supported by accurate information.

Frank Oberklaid, in a forward to *Profile of Young Australians* (Boss et al. 1995, pp.xi–xii)

UNTIL RECENTLY, there have been huge data gaps concerning Australia's young people. Recent publications such as *Australia's Young People – A Statistical Profile* (Kelly 1993), and *Profile of Young Australians* (Boss, Edwards & Pitman 1995) rectify this problem to a large extent. Drawing on these works, along with other relevant material, this section outlines data which describe some important dimensions to young people as a population group.

Some key social dimensions

Population

At June 1995, Australia's total population was estimated to be 18,540,000. Young people aged 15 to 24 years represented 15% of the Australian population (ABS 1995). Although a modest increase in the absolute number of under 14s is expected by the year 2031 (in the range of 0.1 million to 0.7 million), the proportion of this group to the total population is projected to decrease from 22% in 1993 to between 16% and 17%, compared with an expected substantial increase in the total population aged 65 and over (Boss et al. 1995, pp.1–2).

The Aboriginal and Torres Strait Islander population, estimated at 303,261 in 1994 represented 1.7 % of the total Australian population (ABS).

In terms of geographic location, the majority of young people live in either a major city or urban setting concentrated along the eastern, south-eastern and south-western coastal areas. Over 70% of the Australian population lives in cities of more than 100,000 people and 85% in centres of at least 1,000 people. Children who come to Australia as part of migrating families are most likely to end up living in one of the major cities, where immigrants are over-represented (Boss et al. 1995, p.2).

Conversely, Aboriginal children and their families are more likely to be found in towns and rural localities (50%) than in the capital cities (28%). Regional variations exist however: just under half of Victoria's indigenous people live in Melbourne (47.5%) compared with 15.5% in the Northern Territory who live in Darwin. In Queensland, South Australia, Western Australia and the Northern Territory, a large proportion of the indigenous population live in small communities of between 200 and 999 people (Boss et al. 1995, p.8).

The number of people who experienced interstate migration Australia-wide stood at 359,033 in 1994–95 (ABS), the highest for over 20 years. This increase means that more children and young people are likely to experience a major household move, with its attendant adaption to new surrounds including a different education system, job market and community services (Boss et al. 1995, p.2).

Post-war immigration has contributed significantly to Australia's population growth. In 1994, 22.8% of the Australian population was born overseas – a third in the United Kingdom and Ireland, and around a quarter in other European countries. More recently, however, the shift towards attracting immigrants from the Asian region is well illustrated by the fact that immigrants from south-east and north-east Asia made up 40.8% of all those who migrated to Australia in 1991–92.

In 1991–92, children aged 19 years or less made up 31.5% of new arrivals. A significant proportion (37.4%) of all children and young people under 19 years had at least one parent who was born overseas, with the majority of these parents (59.7%) being from non-English-speaking countries (Kelly 1993, p.19).

Family formation and family type

Family formation in Australia, and hence the family context in which children and young people are cared for and develop, has undergone considerable recent change, particularly since mid-1970. As noted by Boss et al. (1995, p.26), while most children are born to parents who are married, increasing numbers are being born to parents who are not married. More are being born to mothers who are older. The proportion of married women giving birth for the first time who were under 20 years of age decreased from 17.7% in 1971 to only 2.4% in 1991. The proportion of women aged 30 years or more when they gave birth to their first child increased from 7.6% in 1971 to 30.1% in 1991 (Madden 1992, p.15).

> *Well, they've just split up because they weren't doing the right thing. Dad was unemployed and they just kept arguing.*
>
> Young man, Berkeley

More children are experiencing the divorce of their parents and/or the repartnering of their parents and the incorporation of step- or half-siblings into their family. The divorce rate in Australia has increased from 9.2% in 1974 to 13% in 1992 (Boss et al. 1995, p.32). In 1991, there were a total of 46,697 children whose parents were divorced (Castles 1992a, p.139). About 8% of marriages end in divorce before five years, 17% within 10 years, 28% within 20 years and 37% within 30 years (McDonald 1993, p.7).

Married and de facto couple families accounted for 85.7% of all families in 1992. Almost all of these couples were married (91.6%). Half of the couple families (49.6%) included dependent children with the percentage being higher in married couples (50.8%) than in de facto couple families (35.7%).

The increased divorce rate has contributed to an increased proportion of single parent families, rising from 9.2% in 1974 to 13% in 1992. The proportion of single parent families with dependent children (70%) is greater than that for couple families (49.6%). The majority of single parent families (84.2%) are headed by women and 70.6% of these include dependent children. Overall, one in seven dependent children and one in four non-dependent children live in single parent families – an estimated one million children (Castles 1994, p.2).

Between 1971 and 1981, the percentage of marriages involving remarriage for one or both participants increased from 14% to 32% and has remained around this level since. Of those who remarried in 1991, 40% had children aged 16 years or under (Castles 1991, pp.2,10). When families are reformed through the repartnering of the parents, the children of the first relationship are most likely to live with their mother (Boss et al. 1995, p.33).

In 1992, young people aged 15 to 24 years accounted for three-quarters of all those provided with free accommodation and almost all of this accommodation was provided in the family home. Parents were most likely to be providing accommodation if their children were studying (25%) rather than not studying (3.8%). For those not in the workforce, parents were most likely to help with the accommodation if the young person was unemployed (Boss et al. 1995, p.36).

> *My Dad goes and tries his luck at the casino, which is not that good because it brings a lot of hassles home because my Mum argues with him about it.*
>
> Young woman, Footscray

In 1992, there were 12,159 children under care and protection orders in Australia. Of these, the majority (74%) were under guardianship orders. The number of children in care has declined substantially over the past two decades, with an estimated 26,846 in care in 1972. Overall, of the children and young people in care, 48.3% were in foster care, 14.2% in residential care and 29.9% were with parents or other family (Angus & Zabar 1994, pp.6–7).

Health

As Boss et al. (1995, p.97) note, Australia has a good system of health care for children compared to many

developed countries. Nonetheless there are inequities, including children from low socioeconomic groups, Aboriginal children, children living in rural areas and homeless young people. As argued by Lyon (1992, p.5) in a report on the health of young Aborigines, many of the patterns for lifestyle-related illnesses, such as respiratory infections and diabetes, are in place by the time of adolescence.

After motor vehicle accidents, suicide is the most common cause of death among young men and women. Australia has a relatively high rate of adolescent suicide by world standards (Boss et al. 1995, p.106). The 1994 UNICEF Report, *The Progress of Nations*, described Australia as having the sixth highest rate based on a 1991 figure of 10.5 per 100,000 for 15- to 19-year-olds. The rate for young men was twice that at 21 per 100,000. Indeed, the suicide rate for young men between 15 and 25 years has more than tripled since 1970 and was 27 per 100,000 in 1992 (Castles 1992a, p.93).

The mental health problems or disorders most commonly found among children and adolescents include conduct disorders, body image and eating disorders, risky sexual behaviour and suicide attempts (Boss et al. 1995, p.108). The extent of these problems is based on estimates only. According to Sawyer et al. (1990, p.14), there are possibly between 10% and 15% of 15- to 20-year-olds suffering from mental health problems.

Drug taking by young people has been documented in a number of substantive research studies. For instance, the 1989–90 National Health Survey found that nearly all smokers aged over 45 years had smoked for 20 years or more, and that nearly 50% of smokers between the ages of 18 and 24 had been smoking for five to nine years. In terms of alcohol consumption, the 1991 National Campaign Against Drug Abuse (NCADA) Household Survey found that 79% of young people between the ages of 14 and 19 years had drunk alcohol in the past year. Marijuana is the most widely used illicit drug. The NCADA Survey revealed that 24% of the 14 to 19 age-group had smoked marijuana in the past year, with more young men doing so than young women (Boss et al. 1995, pp.111–12).

Juvenile justice

It appears that only a small proportion of young people are involved in the formal juvenile justice system. According to Boss et al. (1995, p.153), just on 4% of the juvenile population are processed either by a caution, panel hearing or court appearance (4.1% in 1988–89; 3.9% in 1990–91). The state figures vary, with Western Australia having the highest rate of intervention over the past decade while New South Wales, with the largest juvenile population, has consistently had the lowest rate.

The majority (approximately three-fifths) of juvenile crime involves theft of some kind, usually shop-lifting and larceny. While there is a public perception that juveniles are responsible for a substantial proportion of crime committed, in reality they are more likely to be the victims of all forms of personal crime (including sexual and other assaults) than the perpetrators. In all categories of serious crime, young men are more likely to be involved than young women, though the rate varies with the crime (Boss et al. 1995, pp.153–159).

The rate of detention on corrective institutions of young people between the ages of 10 and 17 has declined over the past decade, from 130.7 per 100,000 in 1981 to 58.8 in 1992. More boys are detained than girls and Aboriginal and Torres Strait Islander juveniles were over-represented in detention in each state except Tasmania and the Australian Capital Territory (Boss et al. 1995, p.157).

Homelessness among young people

The Human Rights and Equal Opportunity Commission conducted its National Inquiry into Homeless Children in 1989. Commonly known as the Burdekin Report, the investigation described homelessness as a lifestyle which includes transience of shelter, and which is not confined to total lack of shelter. For many children and young people, homelessness signifies a state of detachment from family and vulnerability to danger, including the exploitation and abuse from which the family normally protects them (Boss et al. 1995, p.172).

The Inquiry worked on a conservative estimate of 20,000 to 25,000 homeless, although it should be noted that a later study by Mackenzie and Chamberlain (1992) offered an estimate of 15,000 to 19,000 homeless young people in 1991. As Boss et al. (1995, p.173) note, of the 2.75 million Australians aged 15 to 24, approximately 800,000 live independently. If the figure of 20,000 homeless is adopted, this suggests that approximately one in 40 young people who live independently could be homeless.

Education

The number of young people in schools has increased over the past decade. By 1993 there were 1.3 million full-time secondary school students, of whom 68% attended government schools. Throughout the same period, the retention rate of students continuing to Year 12 has increased markedly, from a low of 36% in 1982 to 76.6% in 1993. This suggests a growing perception by young people that higher education increases

the chances of secure employment in the long term. At the same time, it may reflect a lack of alternatives to continued education or indeed government strategies to increase post-compulsory education (Boss et al. 1995, p.219). The Finn Committee's 1991 Report, *Young People's Participation in Post-Compulsory Education and Training*, recommended that by the year 2001, 95% of 19-year-olds should have completed Year 12 or an initial post-school qualification or be participating in education and training. As at September 1995, 672,800 people were participating in tertiary education (ABS).

As Kelly (1993, pp.50–51) has shown, the proportion of young people who stay on at school correlates with family income – the higher the family income the greater the proportion of young people staying on at school beyond the compulsory years. More Aborigines and Torres Strait Islanders have left school before the age of 16 than all other Australians (46% compared to 36% of non-indigenous people). Only 7% of young people from non-English-speaking backgrounds left school at 15 years of age.

The economy and labour market

Since the 1970s, in the face of enormous global pressures, the Australian economy has undergone an unprecedented degree of structural change with important implications for the way we use technology, organise our work, workplaces and our economic development in general.

Global economic change

Webber (1994, p.10) describes the dimensions to globalisation in the following terms:

> *The global economy has grown and changed dramatically since 1950. It is six times bigger than it was; it is more integrated by financial and trade links and by the operation of transnational corporations. Different economic activities have emerged in different places. Japan and the newly industrialised economies (such as the East Asian exporters of Singapore, South Korea, Hong Kong and Taiwan) have emerged as major players in the world economy.*

With this new global economic order, speed is of great importance – in the rapid movement of resources, particularly capital resources, and between sectors and places. In response, Australia's economic adjustment has featured a twin emphasis on increased competitiveness against imports and a stronger export orientation.

The first and most dramatic policy response was the dismantling of long-established tariffs. These were reduced across the board by 25% in 1973 followed by phased reductions, most notably in the passenger motor vehicle industry and the textile, clothing and footwear industry. Within an implicit framework of removing impediments to growth and eliminating market failures (Webber 1994, p.2; Spierings 1995, p.10), other key policy responses have been adopted – the deregulation of the financial and labour markets; the pursuit of low inflation; and a regime of high interest rates through the 1980s especially. In the same period two economic downturns occurred, the first in 1982–83 and the second (and arguably more severe one) in 1990–91.

The labour market has been described as the domain in which the link between global patterns of growth and local change is most clear (Webber 1994, p.29). Globalisation in its more recent manifestations has put firms in one country in sharper competition with those in others and pitted workers in different parts of the world against each other in competing for jobs, wages and working conditions (Webber 1994, p.6). This helps explain the paradox wherein employment increased faster in Australia than in any other OECD country during the mid to late 1980s (between 1983 and 1990, almost 1.6 million jobs were created) but jobs have also been shed on a massive scale and there has been steadily increasing unemployment.

In recent years, most of the job growth has been in small and medium enterprises, with an increase of 7% between 1990 and 1992. By contrast the number of jobs in large enterprises (100 or more employees) fell by 7% in the same period (Committee on Employment Opportunities 1993, p.4). As economic restructuring has proceeded apace, sustained job losses have occurred in major manufacturing sectors; large companies have introduced new technologies, reorganised work and shed labour accordingly; and parent companies overseas with branches in Australia have retrenched Australian workers as a tactic to deal with global pressures elsewhere (Webber 1994).

This change to the Australian labour market has been dramatic, as summarised by the recent Senate Standing Committee on Employment Education and Training (1992, p.20):

> *The need to become increasingly competitive on some international markets (while being locked out of others), new technology and the push for higher productivity arising from its use, have meant that many kinds of jobs which were abundant only five years ago no longer exist. This feature of restructuring has been particularly severe in areas where young people traditionally found their first jobs. That is, the entry points into the workforce for young people have been severely curtailed.*

These sorts of outcomes have not been confined to Australia. Across the OECD the decline in manufacturing employment has led to widespread loss of relatively

skilled, well paid and secure jobs and more and more people have been forced into unstable, part-time and contractual jobs (Webber 1994, p.1). This transition has involved a shift from the previous norm of a high growth manufacturing sector to new service-dominated economies. The shift, however, is not simply about the loss of jobs. It has also resulted in a polarisation of income.

Against this backdrop of manufacturing decline, rapid technological advances, services sector growth and the highest levels of unemployment since the 1930s, it is possible to identify a number of significant and now well-documented features of Australia's labour market and, in particular, the rise of unemployment and long-term unemployment.

Labour market trends

The operation of the labour market over the past 20 years in Australia is a complex and mixed story. The changes in youth employment are but one part, and can be fully appreciated only by reference to other and broader labour market developments. These have been brought together under the following observations:

The rate of unemployment in Australia has been consistently on the increase for the past three decades. It is only now dropping back to single digit levels:

- The average rate of unemployment in the 1960s was 1.8%; it increased to 3.6% in the 1970s; to 7.2% in the 1980s and to approximately 10% in the early 1990s (Boss et al. 1995, p.281). In August 1995, the rate of unemployment stood at 8.3%, representing 744,600 people. This is the lowest rate since December 1990 (ABS September 1995, Catalogue No.1304).
- In addition to the current numbers of people reported as unemployed, there are perhaps another million who are underemployed or who have given up the search for work (Langmore & Quiggin 1994, p.18).
- The trend in Australia (as elsewhere) since the 1960s has been for the rate of unemployment to remain higher than previously after each economic downturn (Boss et al. 1995, p.281; Gregory 1992).
- As at August 1995, there were 567,100 young *employed* people in the 15 to 19 age-group and 1,039,800 in the 20 to 24 age-group (see Table 1).

> *I finished school about two years ago and never had a job, my Dad always pressures me to look for work.*
>
> Young man, Berkeley

- The rate of unemployment for teenagers has remained high for more than a decade. Nationally, the unemployment rate for August 1995 was 28% for 15- to 19-year-olds and 12% for 20- to 24-year-olds. As a percentage of *all* young people in the 15 to 19 and 20 to 24 age-groups, this represents a rate of 7% and 8% respectively (ABS, August 1995, Catalogue No.1304.0).
- Youth unemployment by birthplace shows that young people born outside Australia experience a higher rate of unemployment than those born in Australia (see Table 2). It must be noted, however, that particular groups born in Australia, including young indigenous people, experience some of the highest rates of unemployment.

Table 1: Young employed persons: Full-time and part-time workers, August 1995

	15 to 19 years ('000)	*20 to 24 years ('000)*
Males		
Full-time workers	145.3	463.3
Part-time workers	141.8	88.4
Total	**287.1**	**551.8**
Females		
Full-time workers	77.5	342.4
Part-time workers	202.4	145.6
Total	**280.0**	**488.0**
Persons		
Full-time workers	228.8	805.7
Part-time workers	344.3	234.1
Total	**573.1**	**1,039.8**

Source: ABS, September 1995, Catalogue No. 1304.0.

The duration of unemployment and long-term unemployment has increased substantially over past decades:

- In August 1978, the average duration of unemployment was 26 weeks. By August 1995, this had more than doubled to 54 weeks. The number of long-term unemployed people (unemployed 52 weeks or more) in August 1995 stood at 234,400, the lowest since October 1991 (ABS, September 1995, Catalogue No.1304.0).
- Long-term unemployment and, with a greater lag, very long-term unemployment have increased considerably a short time after the onset of recession, where recession is reflected in the strong negative job growth of both 1982–83 and 1990–91. The absolute numbers more than doubled about two or three years respectively after the beginnings of the economic downturns of the early 1980s and early 1990s (Chapman 1993a, p.3).
- Long-term unemployment and very long-term unemployment fell slowly in the recovery between

BEST COPY AVAILABLE

Table 2: Young unemployed persons: Birthplace, August 1995

	Number unemployed ('000)			*Unemployment rate ('000)*		
Born in Australia	*Males*	*Females*	*Persons*	*Males*	*Females*	*Persons*
Total	**297.5**	**207.9**	**505.3**	**7.8**	**7.0**	**7.4**
Looking for full-time work	264.1	138.0	402.2	7.8	8.2	7.9
Looking for part-time work	33.3	69.8	103.2	7.5	5.4	6.0
15–19 years	61.7	63.9	125.6	18.8	19.8	19.3
20–24 years	62.6	43.7	106.4	11.2	9.1	10.2
Born outside Australia						
Total	**136.5**	**80.0**	**216.5**	**10.7**	**9.3**	**10.1**
Looking for full-time work	124.2	57.1	181.3	10.8	10.6	10.7
Looking for part-time work	12.4	22.9	35.3	10.0	7.1	7.9
15–19 years	8.9	7.2	16.1	30.4	24.9	27.7
20–24 years	13.0	10.2	23.2	18.6	16.6	17.7

Source: ABS, September 1995, Catalogue No. 1304.0.

Table 3: Young unemployed persons: States, August 1995

Age-group	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Australia*
Males ('000)							
15–19	23.9	14.0	15.5	7.0	5.0	2.4	70.6
20–24	23.6	19.6	14.2	5.8	7.2	2.8	75.6
Total	**47.5**	**33.6**	**29.7**	**12.8**	**12.2**	**5.2**	**146.2**
Females ('000)							
15–19	19.8	17.7	15.1	7.9	7.1	1.6	71.0
20–24	17.8	13.2	11.1	4.0	5.2	1.5	54.0
Total	**37.6**	**30.9**	**26.2**	**11.9**	**12.3**	**3.1**	**125.0**

Source: ABS: September 1995, Catalogue No. 13204.0

*These totals exclude Northern Territory and Australian Capital Territory

1984 and 1990 when the average annual job growth was around 3.3%; it has fallen only slowly even with rapid economic growth (Chapman 1994a, p.3).

• Although approximately 1.6 million net jobs were created through the 1980s, long-term unemployment and very long-term unemployment decreased by only about 90,000 and 30,000 respectively (Chapman 1994a, p.3).

> *I'm unemployed for four years, my family is unemployed. My Dad's been unemployed for about two years, he was a Manager.*
>
> Young woman, Berkeley

• As at August 1995, there were 271,300 unemployed young people in Australia across the 15 to 19 and 20 to 24 age-groups (see Table 3). The average duration of unemployment for each of these groups was 26.2 weeks and 42.1 weeks respectively (see Table 4).

• In regard to long-term unemployment among young people, the August 1995 data show that there were 54,700 young people (15 to 24 years) who had been unemployed for more than a year (see Table 4).

There have been substantial shifts in the distribution and organisation of work in Australia:

• The decline in manufacturing employment during the 1970s was mirrored by a steady rise in

Table 4: Young unemployed persons: Duration of unemployment, August 1995

Duration of Unemployment (weeks)	*Age-group*					
	15 to 19 years ('000)			*20 to 24 years ('000)*		
	Males	*Females*	*All persons*	*Males*	*Females*	*All persons*
Under 52	60.5	61.4	122.0	54.6	39.9	94.6
Under 2	5.9	6.5	12.4	4.5	2.9	7.4
2 and under 4	6.6	9.4	15.9	7.4	6.5	13.9
4 and under 8	9.6	8.9	18.5	9.4	7.9	17.3
8 and under 13	7.9	5.7	13.6	7.5	3.5	11.1
13 and under 26	12.3	11.5	23.8	10.2	7.9	18.1
26 and under 39	15.8	15.9	31.7	12.9	9.1	22.0
39 and under 52	2.5	3.6	6.1	2.7	2.0	4.7
52 and over	10.1	9.6	19.7	21.0	14.0	35.0
52 and under 65	3.5	3.5	7.0	8.0	4.6	12.6
65 and over 104	3.1	2.5	5.7	3.5	1.0	4.5
104 and over	3.5	3.6	7.1	9.4	8.4	17.8
Toral	**70.6**	**71.0**	**141.7**	**75.6**	**54.0**	**129.6**
Average Duration	25.9	26.6	26.2	40.1	44.7	42.1
Median Duration	17	16	16	22	21	22

Source: ABS, September 1995, Catalogue No. 1304.0

employment in the tertiary sector of the economy. Over a 20-year period, from the early 1960s to the early 1980s, manufacturing's share in output declined by 3% while the service sector's share grew by 3%. But in terms of employment this symmetry did not hold; the job losses in manufacturing were overwhelmingly full-time jobs compared with the heavily biased part-time and casual jobs of the services sector (Watson 1994, pp.388–389).

• Between 1990 and 1995, the largest employment increases occurred in such occupations as personal service workers (37%), receptionists, telephonists and messengers (32%) and data processing and business machine operators (22%). Employment declined in a number of occupations, including miscellaneous clerks (47%), construction and mining labourers (23%) and metal fitting and machining tradespersons (11%).

• Unemployment rates for most occupational groups rose over the period 1990 to 1995. While some occupations (e.g. managers, administrators, registered nurses) had the lowest unemployment rates in this period, least skilled groups tended to have the highest unemployment rates (ABS Catalogue No. 6203.0, 1990–1995)

• Between 1970 and 1993, the number of jobs increased by over 40% but part-time jobs increased by over 200%. Over the past decade or so, approximately 50% of the new jobs have been part-time. Almost 25% of total jobs in Australia are part-time. Yet, despite this dramatic trend to part-time and casual work, average hours worked by full-time workers have increased (Committee on Employment Opportunities 1993, p.36).

These shifts and changes in Australia's labour market display important gender dimensions:

• The number of men employed full-time fell in the 1970s, and although the decline in men's full-time jobs has stopped, the trend has not been reversed. The jobs lost in the 1982–83 recession have not been regained (Gregory 1992, p.45).

• Young and older men lost jobs much faster than men of prime age (25 to 45 years) but these prime age men also lost jobs (Gregory 1992, p.47).

• Women's experience is different. For women who worked full-time, their decline in employment started about 1975 but through the 1980s, women employed full-time have had increasing job opportunities, and jobs lost for women in the 1982–83 recession were gradually regained (Gregory 1992, p.45).

• The growth of full-time employment for women, however, has not extended to all age-groups. Young women aged 15 to 19 lost numbers of jobs. The rapid growth of full-time work has been for women over 20 years and for married women (Gregory 1992, p.47).

• In the 1960s and 1970s, most occupations were growing at the same rate – the population rate. But the

experiences of the different groups start to diverge from 1975 onwards – with women in high-paying occupations doing better than men. A major difference between 1970 and 1990 is a decline of almost 35% for men in low-paying occupations (Gregory 1992, p.49).

• The employment pattern for young men differs from that for young women. Over the 1980s full-time employment for teenage men has fallen mostly during economic downturns, reflecting their larger share of apprenticeships. Employment for teenage women has fallen particularly in industries and occupations more affected by major technological and organisational change (Committee on Employment Opportunities 1993, p.41).

The sustained high levels of unemployment in Australia since the 1980s show an uneven geographic distribution:

• A number of regions, including Newcastle, Wollongong, the mid-west of Sydney, the north-west of Melbourne, the north of Adelaide, and Victoria's La Trobe Valley, have consistently recorded unemployment rates more than double those of more prosperous areas (McDonald 1995, p.4).

• Over 35% of unemployed people live outside capital city labour markets but there are pockets within cities of high unemployment (Committee on Employment Opportunities 1993, p.23).

• For young people aged between 15 and 24 years, regions such as Tasmania, Victoria (especially Geelong, western and northern Melbourne and the Victorian Midlands), metropolitan Adelaide and the old provincial centres of New South Wales (such as the Hunter Valley and the Illawarra) face chronic and protracted employment problems (Spierings 1995).

Unemployment and the age factor come into play in various ways, most notably, however, with respect to the long-term decline in the youth labour market:

• Full-time employment opportunities for teenagers have fallen dramatically across all industries and occupations (Sweet 1991). Between 1970 and 1993, full-time employment for young women dropped by nearly three-quarters and just over half for young men. The net effect of these changes is that the 15- to 24-year-old population now holds a considerably smaller proportion of full-time jobs (Committee on Employment Opportunities 1993, p.40).

• High youth unemployment appears to be caused by reduced demand for young people, rather than by growth in the youth labour force. The teenage labour force grew by only 2.5% over the period August 1970 to 1993, compared with an increase of almost 60% for the labour force as a whole (Committee on Employment Opportunities 1993, p.40).

• Part-time employment, however, has increased substantially for teenagers, with their share rising from 9% in 1970 to approximately 16% in 1993. Most (approximately 90%) of the part-time jobs held by teenagers are casual jobs; and most teenage part-time jobs are held by full-time students (Committee on Employment Opportunities 1993, p.40).

• Teenagers lost their place in the full-time labour market through the influence of a complex mix of factors perhaps more to do with rising productivity rather than economic recession – an increased sophistication of employers in matching labour supply to demand; the growth of sub-contracting; technological innovation; a finer division of labour; higher entry qualifications in such areas as nursing; unregulated competition from more experienced and better educated labour force entrants; and the dynamics of a labour market which gives preference to skill and experience in both firing and hiring decisions (Sweet 1987, p.17).

For a variety of reasons, including technological change, the demands of multi-skilling and a policy emphasis on student retention, there is now such an emphasis on educational qualifications that it appears new jobs are not necessarily going to those presently unemployed or long-term unemployed:

• Unemployment rates tend to fall for both men and women as the levels of qualifications increase (Senate Standing Committee on Employment, Education and Training 1992, pp.33–34; Committee on Employment Opportunities 1993, p.23). In February 1994, the unemployment rate for people without post-school qualifications was 14.6%, compared to 7.6% for those with post-school qualifications (DEET 1995b, p.4).

• Young people, especially those with limited education, are finding it increasingly hard to gain full-time work. More often, it is the better-educated members of the labour force who have been getting the available full-time jobs.

• The tendency to become long-term unemployed is also influenced by educational level; of those unemployed who did not complete secondary school, 44% were unemployed for more than a year compared with 32% of those with post-school qualifications (Committee on Employment Opportunities 1993, p.23).

Some groups are affected more than others by unemployment and long-term unemployment:

• For all age-groups, unemployment is disproportionately concentrated among already disadvantaged individuals and groups (Senate Standing Committee 1992, p.81).

• Almost half of all unemployed people are under the age of 30 years.

• The majority of unemployed people are single; over half a million children are dependent on unem-

ployed people. Around 200,000 children have a parent who is long-term unemployed (Committee on Employment Opportunities 1993, p.23).

• Aboriginal and Torres Strait Islander young people and young people from non-English-speaking backgrounds have high unemployment rates. Young people with a disability have a higher unemployment rate than non-disabled young people (Stevenson 1992). The National Aboriginal and Torres Strait Islander Survey carried out by the ABS between April and July 1994 showed that Aboriginal and Torres Strait Islander people experienced an unemployment rate of 31.3% in 1994 compared with 9.6% for the labour market as a whole (ABS 1994b).

• Young people most at risk of lower incomes and long periods of unemployment include those unemployed and not participating in education; part-time workers not participating in education; and young people who are neither participating in education or the labour market. The numbers in these three risk groups have been estimated at about 30% of all 20- to 24-year-olds and nearly 17% of all teenagers (Committee on Employment Opportunities, citing Freeland 1993, p.41).

Section 3

Unemployed & poor: The impacts on families & young people

While unemployment persists so does the plight of tens of thousands of unemployed workers and their families. Their personal anguish is considerable, spawning incalculable social costs and, potentially, social disorganisation.

Graeme Brewer (1980, p.92)

THE FULL range of negative effects on unemployed people and their families has been extensively documented, particularly since the work by Brewer (1980) and the Brotherhood of St Laurence over 15 years ago. The consequences of poverty, hardship, misery, low self-esteem, social isolation, poor personal health, and limited access to necessary goods and services, have been clearly established and presented in major public policy forums over the past decade.

This section presents an overview of the issues of sustained unemployment, poverty and the effects on families and young people. It begins with a focus on poverty and its measurement, establishing the relationship between poverty and unemployment. The main impacts of unemployment on people are discussed on two levels – first by describing impacts that tend to be general to the experience of unemployment; and second, by focusing in more detail on the experience of young unemployed people in particular, whether sustained unemployment in families affects young people's participation in education, employment and training.

Poverty in Australia

By world standards, Australia is a wealthy country. The 1994 UNICEF Report, *Progress of Nations*, revealed that Australia's per capita gross national product of US$17,070 puts it ahead of most countries. But Australia, on income alone, also has one of the most unequal distributions of wealth. For instance, using 1986 survey data, Dilnot (1990a; 1990b) revealed that 1% of the population accounted for 20% of the wealth, and the wealthiest 10% just over 55%. Accordingly, many Australian families are struggling to maintain a reasonable standard of living (Boss et al. 1995, p.61).

The concept of relative poverty

Poverty can be looked at in absolute or relative terms. Absolute poverty assumes there can be some discrete or minimum level below which people are poor. Relative poverty, however, occurs when people fall below a

standard of living commonly regarded as acceptable and necessary for the majority of people in a society. In this sense, the standard of living is judged not only by assets and current or potential income levels, but by a broader set of dimensions such as diet; housing; health care; number of dependent children; and the relative ability to participate in employment, education, recreation, family and social activities and relationships (McClelland 1988, p.2).

> *I got my dole cheque last week and paid this bloke what I owed to him and pay for this bill, that bill, this bill and that was it. I'm still short. It just throws the whole fortnight out. I haven't even bought food yet. There's no food in the cupboard at home.*
>
> Young man, Brunswick

Further to this, Townsend (1987, p.140) has argued that there is an important distinction between deprivation and poverty. People can be said to be deprived if they lack these component parts to a standard of living. If they lack or are denied resources to obtain these conditions of life, and for this reason they are unable to fulfil membership of society, they can be said to be in poverty.

The notion of *relative* poverty makes more sense in that it recognises the condition of poverty will change over time and will differ across economies and cultures as changes occur in societies' standards of living and expectations (McClelland 1988, p.2). We can take this a step further in terms of policy and program responses. If poverty relates to inequality and, in Townsend's view, to a lack or denial of resources to remedy the situation, then the task of reducing poverty implies a need to reduce the inequalities that are denying a decent standard of living to people.

Measuring poverty

The quantitative measurement of poverty remains a vexed question with no consensus. Indeed, the nature of poverty as an economic and social condition probably means there never will be unconditional agreement. However, despite this inability to reach consensus on the measurement of poverty, the "Henderson poverty lines" as they have become known, remain a credible reference point. Although they have not been officially endorsed by government as a poverty standard (Saunders 1990, p.2), they are nonetheless widely used as "a barometer of austere income poverty" (McClelland 1988, p.3). The stress here is on the poverty lines as a measure only of income related poverty.

The poverty lines are based on a benchmark income of $62.70 per week for the December quarter 1973, established by the Commission of Inquiry into Poverty (1975). The benchmark income was the disposable income required to support the basic needs of a family of two adults and two dependent children. Poverty lines for other types of families are derived from this benchmark using a set of equivalence scales. The poverty lines are updated by The Institute of Applied Economic and Social Research (IAESR) using an index of per capita household disposable income.

According to the IAESR updated poverty lines for Australia to the June quarter 1995, the poverty line for a family income unit comprising two adults and two dependent children where only the head of the family is working and including housing cost is $412.27 per week. Poverty lines for the benchmark household and other types of household unit are shown in Table 5.

Overall, a recent estimate by Harding (1995) for the National Centre for Social and Economic Modelling –

Table 5: Poverty lines: Australia, June quarter, 1995

Family unit	*Including housing $ per week*	*Other than housing $ per week*
Head in workforce		
Couple	293.62	214.75
Couple plus 1	352.94	266.94
Couple plus 2	412.27	319.14
Couple plus 3	471.60	371.33
Couple plus 4	530.92	422.95
Single person	219.49	147.72
Single person plus 1	281.79	202.88
Single person plus 2	341.07	255.07
Single person plus 3	400.40	307.26
Single person plus 4	459.72	359.46
Head not in workforce		
Couple	252.10	173.19
Couple plus 1	311.43	225.43
Couple plus 2	370.75	277.62
Couple plus 3	430.08	329.82
Couple plus 4	489.41	381.43
Single person	177.98	106.20
Single person plus 1	240.23	161.36
Single person plus 2	299.56	213.56
Single person plus 3	358.88	265.75
Single person plus 4	418.21	317.95

(a) Based on seasonally adjusted household disposable income per head per week for the June Quarter 1995 of $318.99
(b) All figures refer to income after tax.
Source: The Institute of Applied Economic and Social Research, Melbourne

using the Henderson poverty line – is that currently 11% of Australians are living in poverty: almost 600,000 children and 1.3 million adults. These include 22% of sole parents and their children, 18% of couples with four children or more, and 16% of single people of working age.

Single parent families are among the income groups identified as particularly adversely affected by poverty (Boss et al. 1995, p.63). According to 1986 census data, single parent families were worse off than couple parent families. They live more frequently in rented accommodation or share with another family and they have higher unemployment levels, mothers being worse off in this respect than fathers (Boss et al. 1995, p.63).

According to 1991 Census data, the income of young people aged 15 to 19 years rises with age and young males generally receive more income than young females (Boss et al. 1995, p.71). Further, as shown by Kelly (1993, p.106) in a study for the National Youth Affairs Research Scheme (NYARS), in general, family income increased with the number of members, owing to the contributions from non-dependent offspring.

> *I still pay rent and for food and that, but I get less money because I live with my parents, but I still have to pay the same way in which I would living outside the house.*
>
> Young man, Waterloo

The relationship between poverty and unemployment

The Senate Standing Committee on Employment, Education and Training (1992, p.83) which reported on the implications of sustained high levels on unemployment among young people stated clearly that in its view, unemployment is the single greatest contributor to poverty.

The Standing Committee is not alone on this point. The research evidence over the last 15 years in Australia has consistently pointed to unemployed people, and particularly those unemployed for a long period, as a major section of the community likely to be in severe hardship (Cass 1988, p.135). A number of Australian studies in the mid-to-late 1980s in particular (such as Vipond et al. 1987; Whiteford, Bradbury & Saunders 1988), emphasised the general association between poverty and unemployment. North American and European research carried out in this period also

Table 6: Poverty lines compared with the income of adults who receive maximum Social Security payments and have no other income:

	Benefit (b)	*Family Allowance (c)*	*Additional pension (c)*	*Rent assistance (e)*	*Total income (f)*	*Poverty line (g)*
Married couple with						
0 children	272.00	0.00	0.00	33.10	305.10	252.10
1 child	272.00	10.85	33.60	38.50	345.95	311.43
2 children	272.00	21.70	67.20	38.50	399.40	370.75
3 children	272.00	32.55	100.80	44.00	449.35	430.08
4 children	272.00	47.00	147.85	44.00	510.85	489.41
Single adult, no children, unemployed	150.75	0.00	0.00	35.10	185.85	177.98
Pensioner	163.05	0.00	0.00	35.10	198.15	177.98
1 child	163.05	10.85	48.65	38.50	261.05	240.23
2 children	163.05	21.70	82.25	38.50	305.50	299.56
3 children	163.05	32.55	115.85	44.00	355.45	358.88
4 children	163.05	47.00	162.90	44.00	416.95	418.21

Source: Information on benefits and allowances are gathered from leaflets published by the Department of Social Security. The leaflets provide general guides to the rates and the total amount of benefits and allowances, and describe the eligible beneficiaries as at the endpoint of the June quarter 1995.

June (a) quarter 1995

Per Capita Household Disposable Income = $318.99 per week

Source: The Institute of Applied Economic and Social Research, Melbourne

BEST COPY AVAILABLE

affirmed the relationship. Sawhill (1988, p.11–12), for instance, on the basis of her review of trends in the United States over 20 years, concludes that slack labour markets and poverty go hand in hand.

Importantly, the high and sustained levels of unemployment in western economies since the mid-70s have changed *the nature of poverty*. Saunders (1990, p.1) describes this shift in the following terms:

> *Whereas poverty in the sixties tended to be concentrated among the elderly, poverty in the late seventies and throughout the eighties has become far more concentrated among families of workforce age. This development has seen an increase in poverty among the children of families suffering the consequences of joblessness and/or sole parenthood. At the beginning of the nineties, poverty is more likely to be experienced by individuals in the first two, rather than the last two, decades of their life.*

This is what Saunders (1990, p.41) calls the "new poor" – working-age families, many with children, whose unemployment condemns them to a situation of joblessness and poverty. From a European perspective, Room, Lawson and Laczko (1989, pp.170–72) not only attribute the changing pattern of poverty first and foremost to the sharp rise in unemployment since the 1970s, but they also contend that high unemployment and changes in the labour market have undermined the ability of societies to protect their vulnerable members in particular.

If unemployment is a major cause of low income and hence poverty, and access to employment is the best and most sustainable route out of poverty (Saunders 1990, p.1), logic dictates that sustained employment growth holds a large part of the answer to the alleviation of poverty of this nature. Yet as Saunders (p.5) suggests, while employment growth is the requirement, it may not necessarily be sufficient. It may well be, for instance, that the groups who benefit from employment growth are not those who suffered from the initial increase in unemployment.

This appears to have been the case in Australia in the eighties, for instance, where the decline in unemployment had been considerably less than the high levels of employment growth, and, the quality of the new jobs may also be less. It may be that the dramatic rise in part-time and casual employment created work which generates insufficient income to allow people to move out of poverty. The damaging effects of unemployment, and particularly long-term unemployment, could be resulting in an erosion of labour market skills and confidence to the point where unemployed people remain disadvantaged in the competition for jobs (see, for example, Junankar & Kapuscinski 1991).

A general picture of the impacts of unemployment

Brewer's 1980 study of unemployment for the Brotherhood of St Laurence, *Out of Work, Out of Sight* was one of the first qualitative research efforts to focus on the actual experience of unemployment in response to the rise in unemployment rates in the late 70s. In the time since, the Brotherhood of St Laurence, a leading Melbourne-based church and welfare agency, has dealt with the continuing problem of high levels of unemployment in two main ways, through face-to-face welfare work with families and individuals experiencing unemployment; and through its social research and national advocacy. The one constant over the 15 years of the Brotherhood's work on unemployment is that unemployed people and their families struggle profoundly to survive, economically and socially (Brewer 1980, p.64).

The struggle to survive

In its submission to the Committee on Employment Opportunities, the Brotherhood of St Laurence (1993a, p.2) argued that the impact of unemployment, by whatever measure one chooses, is "nothing short of devastating":

> *Whether we are speaking of a 50-year-old highly skilled accountant and company secretary who is retrenched; or a 20-year-old man or woman who has yet to find work since leaving school; or of an electrical tradesman whose last paid work was on Melbourne's most recent building project two years ago – the personal effects have a chilling uniformity.*

This uniformity identified in the Brotherhood's submission revolves around three main and general impacts.

First, unemployment forces people into a subsistence lifestyle where a limited social security payment is spread watchfully over rent, food, fuel bills, transport, and children's clothing.

People who become unemployed tend not to have any economic buffer against unemployment and those with any savings usually exhaust these within a short period of being out of work. Since unemployment benefits are usually well below workforce wages, the jobless are consigned to a frugal existence (Brewer 1980, p.38; Jackson & Crooks 1993, p.11).

People are forced to cut back on, and maybe even go without, food, clothing and other basic necessities in order to meet rent or mortgage commitments (McDonald & Brownlee 1992, p.12; Social Justice Consultative Council 1992, p.74).

What unemployed people miss now that they are not working is a better standard of living; the pride of

providing for their families; the companionship of fellow workers; a sense of belonging; and a greater confidence in themselves (Trethewey 1989, p.111).

Like the rest of us, people who become unemployed have planned their expenditure on the basis of an expected weekly income. When this goes, indebtedness and turmoil follow. Housing security, mortgage payments or rent are jeopardized (Brewer 1980, p.38; Social Justice Consultative Council 1992, p.74).

Unemployed people reduce their expenditure as much as they can, but even then, the point is reached when they just cannot economise any further. Faced with more costs than income, families can be forced to go into arrears at the risk of eviction, or sell their home, often for a low return, and eroding their chances of acquiring a home again (Social Justice Consultative Council 1992, p.74).

Basic costs, such as transport fares incurred in job searching, can assume daunting proportions of unemployed people's budgets. It becomes difficult to "keep up appearances" (Brewer 1980, p.46).

Despite high aspirations for their children's education, parents are sometimes forced to cut back on their children's education costs, such as school excursions, or are prohibited from providing them with the financial support necessary to advance their education (McDonald & Brownlee 1992, p.12; Social Justice Consultative Council 1992, p.74).

The stress of reduced income and subsistence living leads to, or worsens, health problems for unemployed people (Mathers 1992; McDonald & Brownlee 1992, p.12; Jackson & Crooks 1993, p.9; Gilbert 1994, p.77). Mental stress during periods of unemployment often seems to disappear if full-time work is found (Brewer 1980, p.54).

Second, unemployment causes a painful contraction of personal networks and social life as people withdraw from mainstream activity. Ironically, one of the few constant links to others is through what is perceived by many unemployed people to be a demeaning and ritualistic visit to the CES or DSS office.

When people have been in stable work for years, the onset of unemployment often means they are poorly equipped with job search skills, and in knowing how to locate support and assistance. Having moved between their home and place of work, people do not necessarily have knowledge of the community resources which exist and how to tap into them (Social Justice Consultative Council 1992, p.76).

Restricted income limits the social outlets available to those on unemployment benefits. Relief from their preoccupations is scarce, and personal growth is hindered. Expectations diminish and most people find the unemployed lifestyle tedious and painful. They are bereft of entertainment at a time when they desperately need companionship. Bills mount and basic needs go unmet. Boredom and dejection issue from their poverty, and informal social networks which can be important for discovering job information cannot be maintained (Brewer 1980, pp.45–47).

Unemployment tends to impose enormous strains on people's relationships with their spouse, family and friends. Tensions at home mount from the stress of unemployment and poverty, the loss of pride and self-esteem, parental concern over their children's joblessness, the constant juggling of finances to make ends meet, the boredom and the knockbacks in the search for work. The strain can break people, their marriages and their families (Social Justice Consultative Council 1992, p.75).

> *Mum's been unemployed about four years. It's got to impact on her. She doesn't do anything, she just sits at home, depressed and that.*
>
> Young woman, Berkeley

As well as corroding self-identity, unemployment removes the main structures of daily existence. Looking for work gives people their main purpose. Without work, the task of structuring one's day is daunting and provides little meaning anyway. Unemployment means a loss of routine and time perspective. Economic constraints and despondency arising out of joblessness leave people idle, without the capacity for constructive initiatives. Leisure pursuits become a reminder of one's drifting (Brewer 1980, pp.49–50).

Boredom gives way to depression and insomnia. Unemployed people are less fatigued because of not working a full day; and they are often too tense about their joblessness to sleep easily (Brewer 1980, p.51).

Third, there is less security and more uncertainty in the lives of unemployed people – they sense the futility of a training program if there is no job at the end of it; uncertainty dominates their emotions; they don't know how they'll be managing in a few year's time; or whether they will have any security in the rest of their adult life; their spirits take a battering; they feel angry and bitter towards the nation's leaders; yet they are determined not to go under (Brotherhood of St Laurence 1993a, p.2).

The search for work is intense and a hard grind (Brewer 1980, p.25; Jackson & Crooks 1993, p.18). It is usually a difficult, joyless, and often a long drawn out process. The lack of jobs eventually discourages people from looking for work (Social Justice Consultative Council 1992, pp.76–77).

Persistent, unsuccessful job seeking gives way to dejection and a sense of hopelessness. There can be intermittent periods of creative use of time, but as job

hopes dim, so boredom and aimlessness become more salient. In the case of sustained unemployment, some people grow angry about the cause of their situation, although despair and depression are more common symptoms. Fears about their own (and their children's) future, without work, often reach acute levels (Brewer 1980, p.47; Jackson & Crooks 1993, p.9).

> *There's nothing to do, everyone just sits around. You bump into each other in the street, see your friends and that and have a session.*
>
> Young woman, Waterloo

People tend to be stunned by their exclusion from the labour force, but often there is an accompanying defensive reaction that subsides over time. There is false bravado. Understandably, people defend their integrity and work motivation, and they seek to re-establish their self-identity by trying to find work (Brewer 1980, p.48). When people become unemployed as a result of retrenchment, they are likely to be shocked and traumatised by the experience. Often this translates into anger, bitterness and disillusionment. Old loyalties to employers are swiftly abandoned (Social Justice Consultative Council 1992, p.73).

Those who are forced to seek financial relief in order to supplement their inadequate income always feel cowed and shame-faced. They are angry at losing their financial independence and having to submit to "charity". It is a painful reminder of their loss of control over their situation that further lowers self-esteem (Brewer 1980, p.53).

These impacts serve as a useful basis for understanding the experience of unemployment in general terms. What we need to consider, however, is whether there are aspects about young people's experience of unemployment, including growing up in families where there is sustained unemployment, that might add to this broader picture.

Young people's experience of unemployment

There now exist several research studies in which young people themselves have been able to speak about their experience of unemployment and long-term unemployment. In 1992, for example, Blakers canvassed young people's attitudes about work and unemployment in a detailed report entitled *Is Anyone Listening?* A year later, the Australian Youth Foundation published the results of its discussions with disadvantaged young people in the report, *A Lost Generation?* Together these provide a strong insight into young people's experience of unemployment.

> *When you go for job interviews they say all the courses don't count for anything. You've got to have hands-on experience and when you've got hands-on experience they still don't give you the job. You're too young, you're too old, there's always something ...*
>
> Young woman, Adelaide

Blakers' (1992, p.82) discussions clarified the circumstances in which many young people become unemployed. Most young people want work, and they get work. Most unemployed are so because they had no choice in the matter. Some do choose unemployment or risk unemployment by changing jobs. Blakers notes that the situations of the voluntarily unemployed vary widely, although this is more likely to occur with young people who have good family back-up and/or fairly secure job prospects.

The pool of young people in employment has a higher turnover than for older groups of people. Young people leave their jobs more readily than people in older age-groups. Although this job change may be voluntary or involuntary, Blakers (1992, p.72) suggests the available but limited evidence from OECD countries is that unemployed young people are more likely to have left their previous job involuntarily than of their own accord.

Young people's close association with education and training is one reason they experience unemployment. They may be entering the labour market after completing a course, deferring their higher education or simply finishing school. They might be trying to find a direction, needing some time to make up their minds.

Shopping around in the labour market is part of a more complex process of the transition to adulthood, reaching out for wider experience and a more defined identity. Blakers (1992, p.72) believes this is a legacy of more secure times and that high rates of unemployment since the mid-1970s have acted both to deter and provide opportunity for this search for wider experience. On the one hand, she says, unemployment can pressure a young person to stay on in the same job. On the other, the existence of unemployment benefits can provide a safety net and an opportunity for exploration, albeit frugally.

Blakers (1992) believes that the experience of unemployment for young people is the same as for older people on such questions as the loss of financial independence, the struggle to cover basic necessities, the curtailment of social life and borrowing to make ends meet. There are, however, two important effects which young people are more likely to experience than older unemployed people.

The first is homelessness. As youth unemployment has grown through the 1980s, so too did concern over

youth homelessness, culminating in the National Inquiry into Homeless Children and its report (Burdekin Report), released in 1989.

This report identified a number of contributing factors, including family stress and breakdown, unemployment, inadequate incomes (especially for young people and sole parents) and a lack of family supports (Human Rights and Equal Opportunity Commission 1989, p.85). The number of children affected by parental unemployment was a particular cause of concern:

> *... unemployment is not an individual experience, but one that affects the whole family, and affects children through its effects on income, as well as other important aspects of family functioning, such as the distribution of household tasks, the morale or depression of family members, and the role models that children observe* (Whiteford 1987, cited in the report of the Human Rights and Equal Opportunity Commission 1989, p.100).

The Commission (1989, p.105) believed there was clear evidence that the families of adolescents have been under growing pressure from rising unemployment, reduced incomes and rising costs. Teenagers themselves, noted the Commission (1989, p.105), have faced the greatest pressures of this kind of any group in the community.

Second, Blakers (1992, p.36) emphasises the uniqueness of the transition from education to work for young people, from adolescent to adult. She argues that the dramatically changed labour market and subsequent youth unemployment has disrupted an established and often painful search for identity and transition of young people to adult status. These changes in the labour market are more significant for young people than for those who are already adult and recognised as such by their society.

The 1993 research study of the Australian Youth Foundation, *A Lost Generation?*, was even more wide-ranging. Discussions took place with 725 young people who were seen to be contending with social, financial, physical or intellectual disadvantage.

The detailed report canvassed young people's responses around five key categories – the economy and young people, employment and income support; education, learning and teaching; violence, crime, racism, and the justice system; and personal and community needs (including issues of family, community coherence, recreation, health and mental health).

In cataloguing their disadvantage, the report revealed that almost all of the 725 young people were unemployed and dependent on some form of social security. Homelessness was common. Some already were prone to trouble with the law. Some of the young women were singly supporting children and others were pregnant. A few were physically disabled and helped by their parents. Several were suffering from chronic mental illness and others were intellectually disabled or under-developed. Some spoke of their homosexuality, prejudice, and marginalisation from the larger society. Young Aborigines were strongly represented in some locations, and refugees and young people of non-English-speaking background were in others (Australian Youth Foundation 1993, p.7).

The Foundation (1993, p.7) observed that while these young people were a minority, they were a disturbingly large one. Overlaying their disadvantage, often multiple disadvantage, was the "chronic poverty which oppressed many of the participants and their families".

Using the work of Blakers and the Australian Youth Foundation as a basis, we also undertook a series of focus group discussions with young people. Like the Foundation's effort, we were keen to talk with and listen to young people who were clearly at some social and economic disadvantage, but our particular interest was in exploring the effects of unemployment and long-term unemployment on young people's lives (whether from their own unemployment or from growing up in a family where there was long-term unemployment).

These discussions involved approximately 100 unemployed young people. They were chosen by people working in organisations with a specific interest in youth unemployment programs. Within the constraints of the project budget, an effort was made to ensure coverage of as many states as possible. Consequently, over half of these young people lived in New South Wales and Victoria, with the others drawn from South Australia, Queensland and Tasmania.

Thirty per cent of young people were between 15 and 17 years of age; 44% were between 18 and 20; 23% were between 21 and 25.

In regard to their education levels and qualifications, 60 young people had no formal qualifications, including no Year 12. Twenty-four young people had completed Year 12 at high school; four were still at school; three had a trade certificate; and five had a diploma or degree.

Thirty-four of these young people had left school by the age of 15; 33 had left school by the age of 17; and 18 had gone to school beyond the age of 18. Ten young people were still students, either at school, at a tertiary institution or undertaking a certificate course.

Eighty-two of the young people were unemployed (some did not complete this part of the proforma and 36 did not state for how long that had been the case). Seven had been unemployed for fewer than six months; five for sever to 12 months; 19 for one to two years and 15 for over two years.

Thirty of the young people had a mother unem-

ployed, 13 of whom had been unemployed for over two years, (13 did not answer this part of the question) and 25 had a father unemployed, 12 of whom had been unemployed for over two years (11 did not answer this part of the question).

Twenty-six had a brother or sister unemployed, of whom 12 had been unemployed for over two years (five did not answer this question).

Six young people had had jobs for over two years; four young people for between one to two years; 10 for between seven and 12 months and 27 had spent fewer than six months in a job.

Eighty-four of the young people had no current experience of labour market programs. Seventy of the young people had some previous experience of programs. Ten were currently engaged in some sort of course. However, only two identified the course as a labour market program such as LEAP, and two were on a two day "marketing yourself" course. Twenty-five of the young people had completed some type of course in the past.

Eighty-five of the people were receiving some form of benefit (either a Training Allowance, Homeless Allowance, Austudy or Newstart). Young people were not always clear on what the benefit was actually called. Ten young people had no income.

Thirteen young people were living alone, either renting privately or as public tenants. Forty-five of the young people still lived with their parents or a parent. Thirty-five lived in a shared household. Three young people classified themselves as boarders. Three young people lived in a shelter of some sort.

What follows is a distillation of the discussions.

• Young people unemployed for long periods of time are usually in survival mode; they desperately try to make ends meet on their limited income; they have little money for the sorts of things employed young people would take for granted – clothes, entertainment, travel, a car, a three-year degree course, a hobby.

• They are under continual pressure to budget and make adjustments; it is not uncommon for them to be without proper food for some time before the next payment.

• Many of the young people we listened to were carrying debts, from a couple of hundred dollars to a few thousand.

• Many of these young people face extra hurdles in undertaking any training or finding work: for young single mothers child care is a major constraint; for young people with disabilities it can be the very existence of a disability or its effects; for young-ex offenders it is the fact that they have a criminal record.

• Most still had long-term aspirations, despite a period of unemployment. They saw themselves in their mid-twenties as having a job, a house, a partner, children and a car.

• Many of the young people had low levels of schooling and it was clear that their level of literacy was an issue as well. Falling behind in earlier school years made keeping up in higher years impossible.

• Where young people had family members, especially parents, who were unemployed for long periods, the effects were described largely in terms of the unhappiness of the family and the way in which people became depressed and dragged down by the experience.

• Many of the young people, however, were not linked to their families in any positive way; it was common to hear that young people had not seen their parents for years.

• They tended to lack community reference points, apart from the CES and DSS and occasionally a youth centre of some sort. Because many found encounters with CES and DSS frustrating and futile, it deterred them from seeking other sources of help. Many commented on the complications they experienced through administrative errors which have dire consequences for young people already living on little money.

• Most of the young people involved in the focus groups were not currently engaged in any employment/training program. Many were sceptical, frustrated and angry that their previous courses had not landed them a job. For some who had undertaken training courses the response was not very positive – they questioned the relevance of the course and its lack of interest. Some were unable to complete a course, with the obstacles presently too large to overcome. A few, on the other hand, did have a strong desire to return to study.

• Young people unemployed for a length of time tend to spend their time "hanging about" with others also unemployed and their days, for the most part, are fairly unstructured and without much activity. When people are in work, life is geared and organised around that work. For young people who are unemployed their life is geared and organised around that unemployment – the distinction between day and night blurs; the time to do simple tasks like paying the rent can be a defining activity for a day. Depression and lethargy makes for further social isolation.

• For some young people drug-taking is an important and established part of their life – it has implications for how they finance these drugs, their health and the very pattern of their daily existence.

• Many of the young people maintained that they were still actively seeking work, and that they had applied for dozens and dozens of jobs. Some had clearly given up.

• Some of the young people had a diffident attitude towards a range of employment options – "who'd want to do that!" They emphasised their preference for work

that was interesting and secure.

• Employer prejudice, mistrust of young people and difficulty in getting work experience are instances cited by the young people who were long-term unemployed. Participants in the focus groups often had more than one example to tell. They are hurt by these experiences, annoyed and angry. They feel it is wrong to be treated in this way. Many of these young people are extremely frustrated at the number of knock backs they receive. Eventually they come to see the world of work as something which judges them in a negative or mistrustful light, or simply as something unattainable.

• For many the present and the future are bleak; they cannot see a way out of their present circumstances. Many of them, unpalatable as it might seem, are on a downward spiral. It is hard to imagine many of them actually gaining and holding down a job unless something significant gives way in the chain of events.

These observations point to the way unemployment, poverty and periods of sustained unemployment take their toll on young people. In many respects the impacts or effects bear out the earlier and more general picture especially with regard to questions of subsistence living, the shrinking of social networks and the hard grind of searching for work.

A striking aspect, however, is that most of the young people involved in our own focus groups had not only been unemployed for long periods of time but were *not* currently participating in any form of education, training or employment programs.

> *I've done a lot of courses, I've got my references, I've got my certificate, I've got my resume, I've got my report card and I still don't have a job.*
>
> Young woman, Adelaide

Education, employment and training: The young and the marginalised

The trends in the youth labour market over the past two decades demonstrate an increased number of young people at risk, with unemployment rates now generally two or three times higher than those of older groups. Some young people, however, are hit harder than others. There is an emerging body of research which suggests there is an increasing number of young people in Australian society who are already marginalised from participation in education, training or employment.

> *They ask for one or two years experience and it's really hard for us to find a job if we don't have experience. They don't give us a chance. If they don't give you a chance you're never going to get the experience.*
>
> Young woman, Footscray

Section Two established the way in which the labour market for young people shrunk dramatically through the 1980s, with full-time employment being superseded by part-time employment, and with students taking up most of the part-time jobs.

A major and early commentary on the relationship between unemployment and educational participation was provided in Williams' (1987) study for the Australian Council for Educational Research. In two national samples, the educational and labour force progress of several thousand young people was followed from 1975 to 1984. The central conclusion was that educational participation increased with family wealth.

Relative to persons from the poorest 25% of families, those from the wealthiest 25% of families are about twice as likely to complete Year 12, undertake some form of post-secondary education, enter higher education, attend university, enrol in a CAE or commit themselves for a degree (Williams 1987, p.49).

With such family economic circumstances impeding educational participation, the likelihood is that young people in poorer families will leave school earlier. In doing so, however, they are less prepared in an increasingly competitive labour market. It is not surprising, therefore, that children from low-income families make up a large proportion of unemployed young people.

These trends were later described by Cass (1995b, p.6) as a "pincer-like" movement which acts to exclude school-leavers, and especially early school leavers, from full-time employment (where opportunities are receding) and also reduces significantly their part-time job chances, as students are favoured in an increasingly competitive job market. Using data for 1992, she estimates there were 576,500 young people who were not deriving the benefits of either education or full-time employment.

The number of young people who seem not to have any of the intersecting opportunities of combining education and employment stood at 416,500, comprising 15.2% of all young people aged 15 to 24 years. If those young people not in education and employed only part-time are added to this picture, Cass (1995b, p.6) argues that labour market changes and the subsequent policy and program responses have not been sufficiently equitable to overcome what Freeland has termed "dislocated transitions", wherein those young people who are among the casualties are inadequately

supported through labour market change.

From our perspective, there is a need to consider carefully this notion of disadvantage as it relates to education, training and employment programs. There is a problem, for instance, in simply assuming that all young unemployed people are "at risk". Yet, technically, it is probably fair to say that unemployment for *anyone* constitutes a degree of "disadvantage", in that it may prove just that bit harder to gain a foothold in what is proving to be an increasingly competitive labour market.

As indicated in Section Two of this report, labour force data show that in August 1995, there were 54,700 young Australians (15 to 24 years) who had been unemployed for 52 weeks or more. Given the strong evidence from our own discussions with such young people, as well as what emerges from other research studies, the longer the period of unemployment, the "less attached" people become to the labour market, and the harder it becomes to break the downward spiral. By this stage, the cumulative personal effects and reduced income make it logistically more difficult to participate in programs, especially if there is little prospect of a job and secure income at the end. Apart from the frustration of the job search, it is not possible, unless there is solid parental backing, to achieve and sustain anything more than subsistence living.

This second category can be described as "seriously disadvantaged". Importantly, the numbers of young people in this risk group may grow if young people currently unemployed for shorter periods of time move into the ranks of the long-term unemployed.

The third category describes those young people who have been unemployed 52 weeks or more and who could be considered to be "impoverished".

The work by Cass (1995b) is an important contribution in understanding these inequalities and the process of marginalisation. She identifies six indicators of inequality on this question of education/labour market disadvantage: the labour force status of parents (where this is known); gender and living arrangements; the educational attainment levels of parents (where this is known); the circumstances of region/locality; the birthplace background of young people; and indigenous background.

This "intergenerational cycle of disadvantage" was, according to the Senate Standing Committee, even more difficult to break out of in regions of high unemployment:

> *Young people from these backgrounds have no role models for life in the workforce and no contacts or networks to assist them. They lack the financial resources and other supports necessary to move to areas with greater job opportunities and find it hard to compete for the few casual and part-time jobs in their local areas (which almost invariably are snapped up by better presented and more confident full-time students* (Senate Standing Committee 1992, p.85).

The findings of the Australian Institute of Family Studies (McDonald, Brownlee & Greenblat 1994) confirm this process of marginalisation. Young people (aged 15 to 19) tended to have low participation in employment and education or training if they had not completed 12 years of schooling. Early school leaving came about from a variety of factors: a perception that Year 12 was not necessary for securing work; poor performance; in trouble at school; and because they wanted to start earning. Young people's low employment/education status was closely associated with low levels of parents' educational attainment, parents not employed, and parents' occupations being in blue collar jobs (McDonald, Brownlee & Greenblat 1994).

Section 4

Policy and program responses

There has to be close interlinking between a number of policies in our economic and social condition, especially if they are to be of substantial help to those most disadvantaged in the labour market.

The Report of the Committee of Inquiry into Labour Programs (1985, p.3)

SINCE THE MID-1970s, rising unemployment in Australia has prompted a wide range of education, training and employment responses. Our interest is in whether these policy and program responses to youth unemployment have adequately recognised those deeply disadvantaged young people who are long-term unemployed and marginalised in the labour market.

Young unemployed people have been addressed in the programs in three ways. Some policies and programs, such as the setting of educational retention goals, the establishment of the earlier CYSS program and the current Youth Initiatives Program have focused specifically on young unemployed people and their access to the labour market. Second, young people have featured as a component population group of more general policies and programs concerning unemployment (e.g. the earlier Community Employment Program (CEP) and the current Job Compact). Finally, there has been a focus on young people experiencing long-term unemployment, reflecting the more recent preoccupation by government with the problem of long-term unemployment.

This section details four themes in an outline of education, training and labour market programs over the past 20 years. Such a time frame is important because several aspects of past approaches seem to have been crucial in shaping current thinking. An examination follows of the effectiveness of these responses in meeting the needs of young long-term unemployed people who are in poverty and deeply disadvantaged in the labour market.

The evolution of program and policy responses

Policies relating to the labour market go back as far as the postwar re-training of returned soldiers and the introduction of the Commonwealth Employment Service (CES) in the late 1940s. However, it was the increase in unemployment in the 1970s which triggered the development of more extensive national labour market programs.

BEST COPY AVAILABLE

In 1972, the Whitlam government's intervention in the labour market reflected the belief that the labour market could be improved by providing re-training for those experiencing redundancies due to tariff cuts and structural change. The responses took the form of either training/retraining or public and private sector job creation. Long-term unemployment was viewed as about six weeks and the government at that time would not have envisaged unemployment becoming a permanent feature of the labour market. This meant the programs were not strictly targeted and they were only short-term. They were expected to keep people gainfully occupied until they were able to find a job. It was not until the mid-1970s that a quick return to full employment became unlikely.

Two economic recessions in the 1980s caused unemployment to skyrocket, reaching double figures at the height of the 1988–89 recession. The recovery from these recessions has been very slow, with the duration of long-term unemployment increasing after each recession. In the early 1970s, six weeks was considered a long time to be out of work, but by the mid-1990s, 52 weeks or more is considered to be long-term. Some current labour market programs now target people who have been unemployed for 18 months or more. As a consequence of these economic recessions, long-term unemployment became a major concern in the development of national responses. The Committee on Employment Opportunities (1993, p.94) notes that as the average duration of unemployment rose so did the priority to long-term unemployed people.

One of the other features in this evolution is that income support has been the most consistent form of assistance for unemployed people over the last two decades. Indeed, until the 1990s, this form of "passive" support for unemployed people was the largest expenditure item of unemployment programs. In the 1990s, however, government policies started to focus more on active labour market support. The Committee on Employment Opportunities (1993, p.95) states that the "active society" approach to assisting the disadvantaged started in the mid-1980s and was promoted by the Kirby report and the OECD, which stated that paid work is more effective than income security in preventing poverty and social exclusion.

In 1993 the Keating government was re-elected to power with the renewed commitment of tackling unemployment and the ever-growing long-term unemployment problem. *Working Nation* (DEET 1994a) was a set of policies and programs that promised to be the answer to these economic and labour market problems. The primary goal was to achieve an unemployment rate of 5% by the year 2000. In order to achieve this, the government was relying on economic growth to generate new jobs, and education and training to provide a skilled and flexible workforce.

Working Nation policies and programs covered the areas of industry development; the need for a skilled work force; reform of labour market assistance; income support incentives and regional development. In the main, these did not represent a significant shift in direction from previous policy commitments. But the emphasis on education and training was sharper – more personalised support through counselling and the development of contractual arrangements between the CES and people who are unemployed. There was a particular focus on young people and long-term unemployment.

> *I've done heaps and heaps and heaps of courses to get jobs. It doesn't work. I've done so much I'm qualified to be a barmaid or a waitress. I've done work experience at McDonalds, community services, pre-school teacher's aide and I've been unemployed since I was 17. I'm now 23.*
>
> Young woman, Adelaide

Against this backdrop, four themes characterise the development of labour market programs over the last 20 or so years. First, there has been an increased emphasis on education retention; second, there has been an increased effort in linking young people to work and formal training; third, the labour market programs have developed a sharper focus on work skills and industry relevance; and fourth, there has been a closer integration between income support policies and labour market programs.

Theme 1: An increased emphasis on education retention

Education of young people is critical to Australia's economic and social development – the ability of young people to learn basic skills such as numeracy and literacy, personal and intellectual skills, the capacity to work with other people, realise their full potential and play their part in a civic society.

School retention rates became an issue for government in the early 1980s. Since then, policies have been introduced to encourage young people to stay on at school, with the aim of having all young people complete secondary education or other appropriate education or training.

In the mid-1970s retention rates had remained constant at around 35%. These relatively low rates did not appear to be a cause for concern. But with the changes in the youth labour market, the subsequent loss of full-time work for young people, and the changes in the skills required in the labour force, the emphasis on increasing retention rates sharpened throughout the

1980s. It is against this backdrop of concern about retention rates in secondary schools and high youth unemployment, that the Participation and Equity Program (PEP) was introduced in 1984. It was seen as the government's centrepiece of its youth policies. The aim of the program was to increase the numbers of young people staying on until Year 12. The program in essence was a curriculum program and was targeted at schools with low retention rates.

More recent reports such as the 1991 report of the Australian Education Council Review Committee titled *Young People's Participation In Compulsory Education and Training* (commonly known as the Finn Report) have stressed the need for policy which keeps young people in education for as long as possible, to provide a skilled and flexible workforce. The assumption here is that young people who have completed 12 years of schooling and who go on to complete a university degree, or some other form of training program in a post-compulsory educational institution, such as TAFE, will be more likely to find desirable employment.

This emphasis was reflected in *Working Nation*. It notes that in May 1994, half of the unemployed people were under the age of 30 and it recognises the link between economic and social disadvantage and educational retention:

> *Australia's high rate of youth unemployment reflects the fact that we have one of the highest rates of labour force participation by young people aged 15 to 24 in the Organisation for Economic Cooperation and Development (OECD). Conversely, we have one of the lowest rates of participation in apprenticeships and in secondary school level vocational education.*
>
> *Over the last decade, Year 12 retention rates have doubled to 77%. However, around 14% of young people still drop out of school early without going on to further education and training. There is a real risk that young people who drop out now will be disadvantaged throughout their lives. The fact is that education and training do make a difference – young people who do not finish their schooling face longer periods, and have much higher rates of unemployment* (Commonwealth of Australia 1994).

Moreover, young people who leave school early are much more likely to come from lower socioeconomic backgrounds, have a disability, be an Aboriginal or a Torres Strait Islander, or be homeless (Commonwealth of Australia 1994, p.90).

The *Working Nation* report adopted the primary objective of the Finn report, that by the year 2001, 95% of 19-year-olds will have completed Year 12 or an initial post-school qualification, or be participating in formally recognised education and training. The former Federal Government's agenda was clear – to maintain young people in school and further education and training for as long as possible, in the firm belief that all young people will then have the skills to gain employment when the economy has generated new employment opportunities.

> *When I went back to Year 11, instead of giving me six subjects they gave me five. They couldn't give me woodwork, there was no room in the class. They reckon if I gave it a couple of weeks someone would leave and they could fit me in. That was the thing I wanted to do, all the rest was garbage.*
>
> Young man, Ipswich

Theme 2: Linking young people to work and training

The vocational education training area has grown significantly over the past ten years with a number of recent new initiatives. There have been significant developments in the attempts to link young people in work to more formal training structures. While apprenticeships have changed very little over the years other than with the introduction of group apprenticeship schemes, there have been new programs such as traineeships and the Australian National Training Authority (ANTA) that attempt to broaden and legitimate the training options for young people.

Financial incentives for apprenticeship training were introduced in the early 1970s, to expand the numbers in key trades suffering shortages at the time, and particularly to help disadvantaged young people in rural areas. This was in the form of the National Apprenticeship Assistance Scheme (NAAS) which was introduced in 1973. Its aim was to increase the supply of people qualified for trades. NAAS became the Commonwealth Rebate for Apprentice Full-time Training (CRAFT). While this name still exists, the assistance is different. Over time there has been a reduction in the employment of apprentices, which has lead each successive government to continue initiatives such as CRAFT and some new initiatives such as the Group Apprenticeship Scheme.

The group training concept was introduced in 1981 as a way of increasing the numbers of apprentices. Group Training companies recruit and employ apprentices and place these employees on a rotation basis with a host employer for the duration of their indenture. The report on Group Training, by the House of Representatives Standing Committee on Employment, Education and Training, *A Best Kept Secret*, (1995, p.1) indicated that group training companies accounted for 11% of all apprentices in 1994. When apprenticeship

BEST COPY AVAILABLE

numbers were falling across Australia in the early 1990s, Group Training apprenticeships increased by 28%.

Traineeships were developed in the mid-1980s as a way of improving the long-term employment and career prospects of young people and to improve the national skills base, through improvements in arrangements for non-trades employment training. As with apprenticeships, traineeships provide on-the-job training and a formal off-the-job training component. *Working Nation* included traineeships as a crucial component.

Vocational education and training also includes recent initiatives such as the Australian National Training Authority (ANTA), which was established in January 1994 to provide advice and strategic direction to Commonwealth and State and Territory governments on vocational education and training.

Another recent initiative is the establishment of the National Training Board through which the development and recognition of national competency standards can occur. The Australian Vocational Certificate Training System (AVCTS) is also just being introduced and in 1993–94 industry was developing training plans for the introduction of the AVCTS and implementing pilot projects.

These developments aim to provide a more flexible, co-ordinated and articulated training arena, in the hope that many, if not all, labour market programs will be accredited in some form. This would represent a substantial improvement for people who undertake labour market programs, especially as it is likely to bring about further improvements in the quality and effectiveness of courses and programs.

> *For the first six months on Newstart you really get down but afterward you sort of get in a rut. You just don't care about anything. You can't have your heart set on anything, you know, that probably works bad because you mightn't go for as many jobs as you could.*
>
> Young man, Ipswich

Theme 3: A sharper focus on work skills and industry relevance

Historically, various labour market programs have attempted to address unemployment by focusing on work related skills. These programs also represented the beginning point of youth specific initiatives in addressing unemployment.

Unlike the Community Youth Support Scheme (CYSS), introduced in the mid-1970s with an emphasis on young people and job readiness, programs in the same era such as the Special Youth Training Employment Program (SYETP) specifically focused on skilling young people for work. SYETP was the largest of the government's targeted wage subsidy programs and the only private sector job creation scheme. On another level, the Commonwealth Rebate for Apprentice Full-Time Training (CRAFT) aimed to increase the number of apprenticeship training opportunities.

This focus on workskills and industry sharpened greatly with the first comprehensive review of labour market programs in 1983. By then, 684,000 people were out of work, representing 9.9% of the labour force. It was in this climate of high unemployment that the new Labor Government of 1983 committed itself to reviewing what had become an ad hoc array of labour market programs. To this end it established the Committee of Inquiry into Labour Market Programs. Peter Kirby was appointed the chairperson of the Committee. This was a significant turning point — the first comprehensive examination of labour market policy and programs in Australia. Its conclusions and recommendations were geared to a closer link between workskills and industry needs.

The Report of the Committee of Inquiry into Labour Market Programs was released in January 1985. It observed that the programs over the past decade had been in a continual state of flux, with frequent changes to the overall mix, priorities, program parameters, and administration. Additionally, there had been a lack of clearly articulated objectives for many of the programs.

This state of flux was explained in terms of policy-makers being unclear about what they wanted to achieve through labour market policies. There seemed to be a program developed each time there was heightened community concern to the extent of unemployment. However, this constant state of change was also a response to changing economic conditions and their effects on the community. Indeed, it was recognised that labour market policies needed to be flexible, so that they could be adapted to changing labour market conditions and social priorities.

Given this need for flexibility and adaption, the Committee of Inquiry into Labour Market Programs (1985, p.93) recommended the adoption of a rationale for the development, evaluation and modification of labour market programs:

> *The primary objective of any labour market program should be to enhance the participant's long-term employment and earnings prospects through the development of a needs based approach, in which individually tailored packages are devised in appropriate combinations from the available assistance.*

This rationale is reflected in the major direction of the report, with programs targeted to the individual and to education and training. Such a focus provided

the orientation for labour market programs in the second half of the 1980s.

The desire to maintain industry relevance underpinned many of the programs under Working Nation. Five major initiatives reflected a closer integration between work skills and industry needs – The Job Compact, Case Management, the Youth Training Initiative, the National Training Wage, and New Work Opportunities.

Job Compact

The Job Compact was an initiative that guaranteed a job for those unemployed for the longest period of time and provided early intervention for those considered at risk of becoming long-term unemployed. It assumed that the most certain measure of labour market disadvantage is a person's length of unemployment, and proposed that the largest share of assistance should be targeted to people who were long-term unemployed:

> *A job placement, more than any other form of assistance, will help long-term unemployed people to regain their work skills and confidence. It will give them a track record with which to sell themselves to other employers* (Commonwealth of Australia 1994, p.115)

The Job Compact applies to people who have been in receipt of Job Search or Newstart Allowance for 18 months or more. It includes more intensive case management; training and support to ensure that the unemployed person is job ready; and a job for 6 to 12 months (primarily in the private sector).

The Job Compact also includes a training wage which combines employment with training leading to recognised and transferable skills. It foresees new work opportunities which will encourage local proposals for employment generation, especially in regions where other employment opportunities are limited. It involves intensive job search assistance and referral to suitable vacancies at the end of the Job Compact job, to maximise the employment outcomes for those assisted; and stronger penalties for job seekers who do not meet their obligations under the Job Compact (Commonwealth of Australia 1994, p.117).

The report on *Working Nation: The First Year* (DEET 1995c, p.9) stated that the framework for the strategy had been put in place, significant progress had been made to achieving the goals of the program and that the program was on target.

Case management

Case Management was initially introduced in 1993, but was expanded in *Working Nation* as a key element of the strategy for long-term unemployed people. It was seen as crucial to the successful operation of the Job Compact and was described by the then government as a way of securing unsubsidised employment for long-term unemployed people.

Working Nation saw the case managers' role as assessing their clients' barriers to employment; preparing a plan for addressing those barriers; organising training, counselling or volunteer work in order for the client to become job ready; actively seeking work for the clients, arranging Job Compact placements; following up clients who are finishing labour market program places; providing job search training; actively matching job seekers to suitable vacancies; and reporting activity test breaches where they occur.

Case management was available to all short-term unemployed people identified as being at high risk of becoming long-term unemployed, all Youth Training Initiative participants, all new Newstart Allowance recipients and all Job Compact participants.

The CES, along with private and community providers, deliver case management services and unemployed people were able to choose between these agencies. The government contracted community and private sector agencies to deliver the case management and job placement services in order to encourage the growth of the community and private sector providers. An Employment Service Regulatory Agency (ESRA) was established to encourage and regulate competition between these agencies.

An important point about case management was that if a person remained unemployed after participating in the Job Compact they would receive another three months of intensive counselling. However, after that they would be considered to have been unemployed for a short time and their status reviewed as to whether they would remain a priority for case management.

The Keating government believed that the Job Compact was proving to be highly effective in finding jobs for long-term unemployed people. The First Year Report on Working Nation (DEET 1995c, p.11) states that a total of 376,900 job seekers received case management assistance, of whom 41% then ended their CES registration. Seventy-three per cent of these job seekers found or were placed in a job.

Youth Training Initiative

This third initiative of *Working Nation* was specifically developed for young people. It provided for intensive case management to young people under the age of 18 years, with assistance in finding work, training or education to ensure they did not become long-term unemployed. Case management began 13 weeks after a young person was registered as unemployed. For young people who were still unemployed after six months, a labour market or vocational training place and job search assistance was provided.

The Youth Training Allowance for 15- to 18-year-

olds replaced the Job Search Allowance. It was subject to an activity test and if a young person did not fulfil the requirements, they faced non-payment periods. This represented a significant change to young people's income support arrangements.

National Training Wage

The National Training Wage (NTW) was the fourth significant policy development introduced in *Working Nation*. As the First Year Report states:

> *The introduction of the NTW marks the end of the concept of age as a determinant of training wage rates. NTW rates are based on the level of schooling achieved, the time elapsed since leaving school and the time a trainee will spend in training. The NTW recognises the industry/skill levels involved in a training position in determining wage rates and guarantees trainees access to a combination of work experience and training, at the end of which they receive a certificate of competence* (DEET 1995c, p.17).

The Australian Industrial Relations Commission ratified the National Training Wage Interim Award 1994 (NTWA) in September 1994 and since then the terms and conditions have been progressively introduced into all State and Territory industrial jurisdictions.

The National Training Wage was a crucial element of the government's JOBSTART (a wage subsidy program) and Traineeship programs, in attempting to attract the cooperation of industry, unions and the States and Territories to expand the entry level training system.

New work opportunities

This part of *Working Nation* was introduced as an option under the Workstart group of programs and aimed to address the more entrenched employment barriers, mostly for the long-term and very long-term unemployed. The program was project-based and designed to meet the needs of local communities. Project proposals, of at least six months duration and with appropriate training, came from community groups, local government, national organisation, semi-commercial groups, unions and the private sector. This program was the only *Working Nation* program that had the capability of creating new jobs, even if they are only for a short time.

Theme 4: Integration of income support policies and labour market programs

Since the Committee of Inquiry into Labour Market Programs, Australia has recognised the need for an "active program" approach to the provision of assistance to those disadvantaged in the labour market. Active programs are those designed to mobilise labour supply; develop employment related skills and promote a spirit of active search (Brain 1993, p.31).

Public sector expenditure on active and passive labour market programs for OECD countries for 1990–91 shows that Australia has an extremely low level of active programs at 0.27% of GDP, the fifth lowest of all countries (Brain 1993, p.31). In comparison other countries committed expenditure of the order of 2.07% (Sweden), 1.48% (Ireland), 1.39% (Denmark), 1.31% (Finland), 0.62% (Canada) and 0.83% (New Zealand).

Active labour market programs were introduced in 1989 with the (old) NEWSTART program for long-term unemployed adults. This program was closely followed by the Jobs, Education and Training (JET) program for sole parents in 1989 and later by the NEWSTART strategy for all unemployed people in 1991 (Committee on Employment Opportunities 1993, p.95). Both these programs targeted people who had been unemployed for over 12 months and were designed to integrate the assistance provided by the Commonwealth Employment Service (CES) and the Department of Social Security (DSS) through interviews and counselling, training in job search and occupational skills, and wage subsidies; and ensure that the participants of these programs were actually seeking employment.

An example of the closer integration between income support policies and labour market programs was demonstrated by the introduction of the Job Search Allowance (JSA). In 1988, unemployment benefits for 16- and 17-year-olds were abolished and replaced by the JSA, which required young people to attend mandatory interviews and counselling at the CES. After six months, there was a requirement to accept CES offers of training as well as job interviews, thereby moving young people from unemployed status to either training or employed status no matter how long the employment or training lasted.

The introduction of JOBSTART in 1992, a private sector wage subsidy scheme, which replaced the SYETP and AWSS, was also a move towards active labour market programs. This move was not new in that wage subsidy schemes had been in operation for some time, but the increase in expenditure indicated a stronger preference for this type of program.

This integration of income security and activity tests became even more marked in 1991 when the Active Employment Strategy (AES) was introduced. This new strategy broadened some previous changes that had taken place, in that from July 1991, all unemployment benefits were replaced by the JSA for all people who had been unemployed for under 12 months and a NEWSTART allowance for all people

who were long-term unemployed.

Stretton and Chapman (1990, p.30) point out that the significance of the AES was in the delivery of the programs: more intensive use of CES and DSS interviews and counselling; more integrated use of different programs to fit the specific needs of the individual; an attempt at earlier identification of particular labour market disadvantages, particularly literacy, numeracy and English language difficulties; more decentralised administration of the programs, and greater use of community support groups, particularly in assisting the very long-term unemployed.

These four themes, over a 20-year period of evolution, illustrate a series of shifts and different emphases – from public sector job creation and job readiness programs to a tighter training focus to meet industry needs as well as the provision of stronger incentives for private sector involvement.

In outlining the range of programs, it is clear that young unemployed people have been targeted in varying degrees, often as part of a generic program to address labour market disadvantage. As well, the focus has tended to be on young unemployed people as a homogeneous group, in the hope that some of the more disadvantaged young people – especially the poor and the long-term unemployed – would be caught up through a network of labour market programs. It was not until the *Working Nation* report that the problem of deeply disadvantaged young people became as explicit in policy and program terms.

Deeply disadvantaged young people and the labour market

In 1982/83 the average duration of employment for 15- to 19-year-olds was 31.9 weeks and for 20- to 24-year-olds 41.9 weeks (Boss et al, 1995, p.282). In August 1995 the average duration for 15- to 19-year-olds and 20- to 24-year-olds was 26.2 weeks and 42.1 weeks respectively (ABS, September 1995, Catalogue No. 1304.0).

According to the Australian Council of Social Services (ACOSS), for many people long-term unemployment is likely to flow into very long-term unemployment and then into "dramatically reduced attachment" to the labour market. As Australia's labour market assumes greater flexibility, skill levels and productivity, people already disadvantaged in these respects are increasingly less likely to gain work without considerable special attention. For reasons of both social justice and economic efficiency, ACOSS (1993, p.1) argues that government should give priority to discovering ways of reintegrating the very long-term unemployed into the labour market.

Labour market reintegration of this sort, however, is dependent on the interplay between two key factors – a recognition of the barriers faced by long-term unemployed people (including young people) in gaining employment, and the need for tailored responses.

Long-term unemployment and the barriers to employment

The barriers to employment have been documented in a number of research studies (see for example, Brewer 1980; Jackson & Crooks 1993). In its 1993 work for the Committee on Employment Opportunities, ACOSS suggests that the barriers facing the deeply disadvantaged may be no different from those experienced by unemployed people more generally. However, it is likely that these barriers are more severe, becoming extreme, for people out of work for a long time (ACOSS 1993, p.iii). Long-term unemployment tends to compound the negative effects of being out of work (Griffith 1987, p.16).

The 1993 ACOSS research carried out for the Task Force on Employment Opportunities identified a series of major barriers experienced by the most deeply disadvantaged in the labour market.

These barriers are separated into four main categories. There are those which are to do with *gaining and maintaining employment*: not enough appropriate jobs to provide the flexibility, income, on-the-job training or necessary supportiveness; employer discrimination; not enough post-placement support of employer advocacy.

In seeking to be *ready to work or able to continue to work*, vocational skills must be substantially developed and people may lack work experience.

In becoming *ready to undertake any mainstream social activity*, vocational training or employment, people's low self-esteem, confidence, motivation and presentation is the most immediate barrier; there can be a deep lack of alignment with the world of employment; and basic educational skills, such as literacy and numeracy, can be lacking.

In being able to participate, *basic support would be needed by a large number of people*. Poor health can be a barrier; specific housing and drug rehabilitation may be needed; childcare and language can be very real obstacles; and poverty, low income and few financial resources affect all other barriers.

For many people, these barriers will be linked and not necessarily able to be isolated from each other (ACOSS 1993, p.28). This was clearly evident in our own discussions with young people severely disadvantaged in the labour market. The challenge for policymakers is to understand the nature and degree of

these barriers as they affect people, in this case those young people who are long-term unemployed, and to be able to tailor their responses accordingly.

Tailoring the responses

There is a range of programs, put in place more recently, to assist young disadvantaged job seekers. Many of these are documented in the ACOSS study for the Committee on Employment Opportunities, providing a useful illustration of the deliberate and targeted approaches now being taken to the problem of long-term unemployment among young people.These include both government and private sector programs and some are discussed here.

The Body Shop Linked Access Project

This is a cooperative venture between the Brotherhood of St Laurence (BSL) and The Body Shop. It targets homeless or at risk of being homeless 16- to 19-year-olds and provides them with counselling and support measures. The Body Shop provides work experience opportunities and traineeships. Special TAFE courses are delivered to provide basic competencies. Because debt was a major problem for participants, the Brotherhood provides financial counselling, interest-free loans and food vouchers. However, the Brotherhood notes that it is particularly hard to get debt under control on a traineeship wage and that young people's debt contributes to housing problems, difficulties with health care and transport costs.

Chatswood Skillshare

This Skillshare is a mainstream service providing labour market programs for people with psychiatric disabilities. One of its main features is its high degree of advocacy with employers. Another important feature is the view that it is essential to have a strong local focus to establish relationships with local employers and to run a support network.

Mamre Skillshare Open Access program

Mamre was initially established by the Sisters of Mercy, and targets the most deeply disadvantaged in the labour market, drawing on such groups as young people under 21, jobseekers with dependents, women re-entering the work force and people with disabilities.

> *Before I had a child there were a lot more opportunities available to me.*
>
> Young woman, Adelaide

Unlike most services, two-thirds of Mamre's clients are women and are in the main low-skilled, have poor literacy or numeracy skills, present poorly and lack recent work experience. Mamre clients also have a range of disabilities such as schizophrenia, manic depression, emotional breakdown, intellectual disabilities, epilepsy, substance abuse, alcohol-related brain injuries and hearing and sight impairments. Many are survivors of domestic violence, sexual assault and violence.

Mamre sets out to provide a flexible and individual program for the participants which includes counselling and referral; stress management; relaxation techniques and discussion groups; personal money management; obtaining a car licence; personal presentation, communication skills, anger management, conflict resolution and problem solving; confidence building through drama; outdoor activities and social outings.

Mamre's Skillshare Open Access program runs six hours per day five days per week and is an open entry/exit program, which is self-paced and self-taught.

From our own research, it is also worthwhile including here a description of a particular community-based venture designed to work with deeply disadvantaged young people.

Breaking the Cycle

This is a not-for-private-profit organisation which offers programs designed for long-term unemployed or at risk young people, from 16 to 22 years old and provides professional life skills training and equips the young people with work ready skills. All program graduates commence full-time employment upon graduation in pre-negotiated employment positions. By the end of 1996, it is anticipated there will be 16 programs across three centres – Melbourne, Ballarat and Sydney – with 30 young people in each program.

A key feature of Breaking the Cycle is that it secures jobs for young people *before* they are recruited through the CES.

The aims of the program are: to break the cycle of welfare dependence; to assist young people fulfil their potential and to expand their choices; to provide young people with the opportunity for major change in their lives such as business development, training, education, employment, and secure accommodation; to have young people feel worthwhile; and for them to assume responsibility for their own lives.

The organisation believes in communities taking responsibility for their young people and providing support. It speaks of a win/win relationship between the organisation, young people and employers. The program is a six-week intensive pre-employment program, with three components – a wilderness experience, life skills and work skills.

Breaking the Cycle has financial support from the Commonwealth Department of Employment, Education and Training to fund direct training costs in program delivery for up to 15 programs Australia-wide

in 1995 on the basis that the young people will graduate. This amounts to $3,500 per graduate. The actual cost of training each person for six weeks is $5,500.

Breaking the Cycle runs the South Melbourne Conference Centre, a conference and seminar facility with a special emphasis on excellent customer service. As well, Cycle Press, a business dedicated to quality printing services, employs graduates of the program and financially supports Breaking the Cycle through donating 20% of profits. Look Good Feel Good body care products donate 10% of their profits to the organisation.

> *Apart from paying bills there are other things you have to cover as well. I feel like by the end of one week there is no money left and you've got another one to go.*
>
> Young woman, Footscray

KICKSTART

KICKSTART for Youth is targeted to 15- to 19-year-olds in South Australia who are either unemployed, have left school or who are at risk. It is a highly flexible program that links directly with the initial KICKSTART Strategy and operates through the same established regional structures; it is locally driven providing structured pathways for young people into training and employment.

The South Australian Government, through its Department of Employment, Training and Further Education, introduced the KICKSTART program in August 1991. It aims to significantly improve the education, training and employment outcomes for young people. In 1995–96 the first year of operation, 1,000 places were targeted across the State.

This strategy involves the cooperation between all sectors of the community in order to provide employment outcomes for young people disadvantaged in the labour market through the provision of a responsive mechanism to changes in employment and training directly linked to changes in industry development; the building of partnerships between State, Commonwealth, local government, private sector employers, trade unions and the community and the focusing on clear objectives to provide employment opportunities in regional locations.

The key features are the linkages to regional development structures and strategies; the cooperative working arrangements between State, Commonwealth and local governments, business and industry in local communities; the flexible approach to project development to fill the gap not addressed by more traditional labour market programs; and the resourcing and supporting of local decision making in response to identified local need through the placement of KICKSTART Employment and Training Officers with Regional Development Boards to identify and develop appropriate programs.

KICKSTART for Youth recognises that many young people in the age-group may not be ready for employment as an immediate outcome of activities and hence, a very strong focus is on ensuring project participants are provided with the opportunity to access appropriate accredited training which will ultimately lead to employment.

St Augustine's adolescent and family services (Barwon)

St Augustine's Adolescent and Family Services (Barwon) in the Geelong region of Victoria has been operating programs for unemployed young people for many years. The targets are unemployed people under 25 years old who are at risk of becoming long-term unemployed and who show a willingness to participate in a structured training and employment program.

St Augustine's have identified a number of major issues related to these young people and their alienation from mainstream involvement in the community, including:

- lack of identification within the family;
- questions of the relevance of schooling;
- surviving with little economic assistance;
- coping with depression and other mental health issues; and
- having little or no knowledge of, or access to full-time employment.

The program aims to provide training and employment, that is most effective for young people with little work experience or training and to motivate the participants to return to education or access training programs through the provision of work experience in a small business model that will assist in obtaining employment.

St Augustine's through Stasworks operates enterprises such as Stas which manufactures, repairs, and markets surfboards; Graintree Creations which is involved in woodcraft, furniture manufacture and marketing and Blades, a lawn mowing, gardening and basic landscaping business.

Other assistance which Stasworks provides to young people is job preparation, including CES registration, job seeking skills, developing a résumé, training for interviews and work experience. The program also provides work related numeracy and literacy assistance, basic typing and computer skills.

Stasworks also refers young people to recreation programs such as the Wilderness in Life Program (WILD) and St Augustine's Marine Wilderness.

The evolution of labour market programs outlined

in this section has seen a complex array of policy and program responses to sustained high levels of unemployment. The issue of interest now is whether these responses are proving to be adequate in meeting the needs of those young people at greatest risk in the Australian labour market.

The question of adequacy and effectiveness

Despite a significant expansion in educational, training and employment programs over the past 20 years, the monitoring and evaluation record has been mixed. New programs and directions were often undertaken, not necessarily because there was evidence of how successful or unsuccessful previous programs were, but because the government of the day felt a need to respond quickly to public concern.

While many formal evaluations have occurred, they have differed in their focus and approach. Even so, DEET (1995b, p.25) contends there is a large body of compelling evidence that labour market programs significantly improve participants' chances of gaining employment.

The key dimensions for evaluation

The findings of commentators such as Stretton and Chapman (1990) offer a useful starting point. They identify four key dimensions which need to be considered in assessing the effectiveness of labour market programs: the efficiency of the program administration; the effect the program has on the labour market; employment and training outcomes; and how much money is spent.

Stretton and Chapman (1990) reviewed the evaluations that had already been undertaken of active labour market strategies of the 70s and 80s, such as those concerning wage pause programs and direct job creation schemes. They were mindful of the fact that there were deficiencies in the methodologies of the evaluations, including the need for control groups and clearer criteria on what the labour market programs were aiming to achieve.

These limitations notwithstanding, they found that in the main, labour market programs did help unemployed people into employment by enabling them to be better matched to the job market, and by targeting the long-term unemployed and helping these people maintain or develop skills that were of interest to employers:

> *In general, Australian programs have been targeted on groups with fairly clear labour market disadvantages, such as the long-term unemployed (LTU). Such groups are likely to be those at the back of the hiring queue and, in the absence of targeted assistance, would remain largely outside employers plans for expansion ... particularly likely in recessions* (Stretton & Chapman 1990, p.8).

Their argument is that if unemployed people maintain or develop their skill levels, they are more competitive in the job market and therefore more likely to be successful in gaining employment:

> *Job vacancies will be filled more quickly and at lower cost when the pool of unemployed are close substitutes for the employed. It follows that a labour market characterised by a high proportion of LTU is unlikely to meet this test. Employers are likely to view the LTU as poor employment prospects as a result of the skill atrophy and attitudinal change they have suffered during their long period out of work. It follows that if labour market schemes reduce LTU, they concomitantly increase the likelihood of there being a more propitious matching of the pool of unemployed to job vacancies* (Stretton & Chapman 1990, p.9).

This view is shared by other commentators (see for example Sloan 1993; Kenyon 1993) who believe that if unemployed people are to meet workforce demands, then it is necessary to maintain or further develop their skills. With long-term unemployment, there is arguably a greater risk of people's skills being eroded or lost. In this case, it becomes critical that labour market programs not only focus on the long-term unemployed and people at risk of becoming long-term unemployed, but that they also address this skills issue.

In their review, Stretton and Chapman (1990) point to the strong performance of Job Clubs, especially when compared to the less intensive Jobsearch Train-

Table 7: **Post program labour market status of participants of training programs (%)**

Program	*Employed*	*Unemployed*	*Not in labour force*
JOBTRAIN only	42.3	48.8	8.9
JOBTRAIN with Placement	78.9	16.8	4.3
Job Clubs	51.1	44.3	4.6
Jobsearch Training Courses	31.2	62.8	6.0
Trade Training	82.5	12.3	5.3
National Skills Shortages	75.8	15.7	8.5
Australian Traineeship System	85.2	10.1	4.7
SkillShare	39.8	52.3	7.9

Source: DEET, Program Monitoring Report, January 1990, Table 1
Note: These data reflect cessations occurring in the first half of 1989

BEST COPY AVAILABLE

ing Courses. Table 7 provides an overview of what happened to the participants eight months after completion of some training programs:

These figures show that many people were being assisted by labour market programs, some more than others, such as in the National Skills Shortages program wherein 75.8% of participants who completed the training were in paid employment eight months after completion of the program. Stretton and Chapman (1990) note that the reasons for this success could well be because of the specific targeting of the training to skills that are in demand. Nonetheless, SkillShare, a program known to be providing training to people who are difficult to place in employment, is doing reasonably well to be assisting nearly 40% of participants into jobs.

The proviso added by Stretton and Chapman (1990, pp.40–42) is that these programs work well for some people providing they find employment quickly after completing one of the programs. Otherwise, the skill atrophy mentioned earlier begins.

The studies on *wage subsidy programs* reviewed by Stretton and Chapman (1990) suggested that 60% of people assisted by a wage subsidy program found employment-when the subsidy ended, and that there was a greater chance of getting a job by taking on a JOBSTART placement. In addition, the evaluations of SYETP, an early wage subsidy scheme for young people, demonstrated that completion of programs significantly enhanced a participants job prospects, and that employment-based programs were generally more successful than education-based programs.

Stretton and Chapman (1990, p.42) point out that SYETP assisted disadvantaged young people by increasing skills through on-the-job training or work experience, allowing them to apply for other jobs while in employment and allowing for the possibility of them being retained by the SYETP employer after the subsidy is withdrawn.

There is, however, the issue of whether wage subsidy programs and public sector job creation schemes have an effect on the actual increase of jobs in the labour market. Chapman (1993b) refers to this issue in terms of "displacement" and "deadweight loss":

> *Displacement refers to the possibility that the employer was going to take on additional labour from an untargeted group, but with the subsidy, now prefers targeted labour instead. Deadweight loss means that even in the absence of the subsidy the employer would have recruited the additional labour from the group targeted anyway. Both factors necessarily mean that the net employment gain will be (perhaps substantially) less than the number of jobs subsidised.*

Given this displacement and deadweight loss Chapman (1993b, p.48) states that the overall direct net job creation of these schemes is around 15–20%, and that DEET (as it was then) used this figure for its costings of the programs. DEET maintained that wage subsidy programs can be effective if providing permanent employment and targeted to the most disadvantaged jobseekers. The OECD Jobs Study (1994), notes that the displacement effect can be high. However this may not be of concern if the objective is mainly to provide opportunities for the re-integration of long-term unemployed people into the workforce. The report also points out that self-employment was found to be an effective way of assisting people back into employment.

The central point here is that Stretton and Chapman's (1990) review indicates that labour market programs, by and large, do seem to assist unemployed people into jobs, though clearly not all. This was affirmed in a subsequent major review of labour market programs by Jarvie and McKay (1993) in their report *Perspectives on DEET Labour Market Programs*. They argue that the then current policies were the best options for long-term unemployed people to enter employment.

Since Stretton and Chapman's work, there has been a considerably stronger emphasis placed on the monitoring and evaluation of labour market programs. Indeed the evaluation strategy accompanying the *Working Nation* initiatives represents a significant turning point with respect to achieving a strong and comprehensive basis upon which to make future assessments of effectiveness.

Spierings (1995, p.5) suggests there were some very positive elements in the *Working Nation* package. The introduction of case management, which, if properly handled, would mean more sensitive and appropriate attention to the individual needs of unemployed people. The New Work Opportunities (NWO) program aimed to provide new jobs and not replace existing jobs. It adopted a regional economic focus through the devolution of decision-making responsibility for funding particular labour market programs to local regions rather than maintaining all power in Canberra, and it made available some modest funding for some selected regional infrastructure projects.

However, Spierings (1995, pp.5–6) raises the issue that the measures were in the main targeted at improving young people's job skills, job access and job readiness rather than increasing the supply of jobs and identifying adequately the causes of youth unemployment.

The report on the first year of *Working Nation* (DEET 1995c) provided some of the numbers on people commencing labour market programs and compared the numbers with its targets. It shows that *Working Nation's* overall targets for 1994–1995 were largely met, although some programs did better than anticipated

Table 8: Labour market program commencements (1994–95) – (from Working Nation, The First Year 1994–94)

	Job Compact				Total Labour Market Programs			
Programs	*Working Nation Projection (a)*	*Budget Projection (b)*	*Actual to end June 1995*	*Variation on Budget projection*	*Working Nation projection (a)*	*Budget projection (b)*	*Actual to end June 1995*	*Variation on Budget projection*
Jobstart	55,900		40,208		189,700		95,212	
National Training Wage	2,900		763		5,100		7,953	
New Work Opportunities	11,700		10,835		11,700		10,868	
LEAP	2,600		3,814		12,700		14,930	
Jobskills	2,600		13,865		12,600		20,456	
New Enterprise Incentive Scheme	1,000		1,487		6,000		5,914	
Total Employment Programs	**76,700**	**65,000**	**70,972**	**+9.2%**	**237,800**	**160,000**	**155,333**	**-2.9%**
Job Train	17,900		47,922		68,400		90,519	
Special Intervention	17,900		39,462		45,600		69,948	
Accredited Training for Youth	2,800		1,895		11,200		4,692	
Skillshare	17,900		39,440		128,100		139,562	
Community Activity Program	0		492		3,000		998	
Job Clubs	13,200		22,383		58,200		44,817	
Mobility Assistance Scheme	5,800		5,016		13,200		13,667	
TAP			1,738		6,711		9,406	
OLMA			3,438		13,000		6,678	
Other programs	0		5,850		7,200		9,347	
Total Training Programs	**75,500**	**157,000**	**167,636**	**+6.8%**	**354,611**	**380,000**	**389,634**	**+2.5%**
TOTAL	**152,200**	**222,000**	**238,608**	**+7.5%**	**592,411**	**540,000**	**544,967**	**+0.9%**

(a) Estimates in the context of the 1994–95 Budget based data available to March 1994.
(b) Estimates in the context of the 1995–96 Budget based data available to March 1995.

and others came in under target (see Table 8).

For instance, the Jobstart wage subsidy program was way under target by 15,692 places for Job Compact clients and 94,488 places under target overall. The National Training Wage was 2,137 places under target for Job Compact clients, but over target by 2,853 places overall. The First Year Report 1994–95 suggested that these figures were due to a slow take up of wage subsidies and the National Training Wage, but that the situation would improve over time. Training programs, however, such as JobTrain, exceeded the targets dramatically.

It is too early for information from any longitudinal studies to show results, but with the basic monitoring undertaken by DEET, it still appears that a labour market program is more likely to help in obtaining work than if none was undertaken. Overall, there seems to be a large take-up of places in labour market programs, particularly the education and training programs.

What is less clear is whether the range of programs is adequate with respect to meeting the needs of those groups deeply disadvantaged in the labour market. Certainly there are recent evaluation data which show very strong results for programs targeted at deeply disadvantaged young people. Breaking the Cycle, for instance, has 99% of its participants graduating from the six-week program and its tracking system suggests that 85% of participants are still in employment after 12 months. Even so, if the young people in our own focus groups are a guide, there is a considerable population of young people, already severely marginalised from the mainstream of employment, who are quite possibly not connected to current labour market programs of any sort.

> *I left home, two weeks before I finished Year 10. I lived on the streets in Sydney for a few months, but when my friend died I knew I had to get help. Now I'm in a refuge waiting to get into rehab.* Young man, Berkeley

BEST COPY AVAILABLE

The scope for improvement: Some key criteria

As a contribution to the Committee on Employment Opportunities, ACOSS (1993, pp.vi–vii) identified a number of areas in which a third of front-line services believed there was a need for general improvement in current practices. While a number of recent initiatives already mentioned in this Section could be said to be addressing these areas (such as Case Management), the value of the ACOSS work lies in articulating a set of practice criteria which have a longer-term relevance.

It should be reasonable to assume, for example, that the assessments of efficiency and effectiveness of labour market programs should take into account the demonstrated capacity of programs to:

- tailor approaches to people's needs, particularly in assessment and in the provision of more individualised packages of support;
- anticipate satisfactorily the demand and timeliness of programs (e.g. in industries before retrenchment occurs) and ensure that there is early identification of people at risk of becoming locked into unemployment;
- ensure that training is appropriate to people's needs and employment opportunities, and ensure that training is fitted to needs identified by closer contact with local employers and is delivered through on-the-job training;
- ensure that resources are not spread so thinly that courses cannot provide comprehensive or sustained skill development;
- provide enough flexibility in the suite of programs to overcome the "creaming" effect in which services cream the most work ready of the deeply disadvantaged;
- ensure that the structure of funding reflects an appropriate approach on the question of outcomes and cost effectiveness of different strategies;
- ensure that the tendering processes for training providers is appropriately based, allowing sufficient lead time to develop courses, and pay for essential ongoing support.

The ACOSS study (1993, p.iv) also argued that the current emphasis on programs in vocational training is misplaced for those most disadvantaged in the labour market. Other needs have to be met first and vocational training has to be linked specifically to employment opportunities. On-the-job training is likely to be the most effective.

The study cautioned against thinking that job placement for the deeply disadvantaged is simply a matter of more intensive job searching. A crucial element will be the extent to which jobs can be tailored to people's skills and *other needs* in what could be a lengthy period of reintegration (ACOSS 1993, p.v). In this regard, strategies such as the CES Jobseeker Screening Instrument have a basic and important role in assisting staff to determine the "at risk" status of their registrants.

As well, the ACOSS study (1993, p.v) stressed the importance of employment services working with deeply disadvantaged people to link closely to the community which can provide a range of support needs. Many of the young people in our own focus group discussions had, since leaving school, experienced long periods of fragmented labour market program support. Their links to the broader community were generally not well developed, limiting their chance for a clear and productive pathway to further education and employment. The Job Guarantee Pathway, as part of the Working Nation package, was a step in the right direction in recognising the need for coherence rather than dislocation in the post-school lives of young unemployed people.

In summary, there has been a wide-ranging policy and program response to youth unemployment, particularly from the 1980s onwards. Part of the response has been a focus on young people experiencing long-term unemployment.

Although evaluation of these measures is a complex matter, there has emerged, slowly at first, a considerable body of program evaluation which suggests that, overall, labour market programs have to date played an important role in improving the work chances of many young people.

Allowing for further improvements in the design, structure and targeting of programs, there are, however, significant policy issues exposed by the current level of unemployment and youth unemployment which require answers other than maintaining, and maybe even increasing, the nation's commitment to labour market programs. Education and training *for work* is based on the not unreasonable premise that worthwhile employment is important to young people, and on the expectation that there is enough work to go around. The final section of this report expands on these broader questions of direction and strategies.

Section 5

The costs of youth unemployment

The social and economic costs of long-term unemployment, joblessness and poverty are not only measured in terms of income support. They include loss of output, erosion of skills, reduced levels of activity, and increased social divisions.

Bettina Cass (1989, p.14)

SOME ECONOMISTS and social commentators believe that unemployment is essentially a voluntary act, a kind of de facto holiday; and that most unemployment could be eliminated by reductions in wages and income supports for unemployed people. There is also a school of economic thought which sees some unemployment as a way of keeping the rest of the labour force on its toes.

In truth, however, unemployment is extremely costly, with few practical benefits. It imposes a heavy burden on our system of income support; it leads to considerable foregone income and opportunities and reduced taxation revenue; it contributes to costly social problems such as poorer health, the breakdown of relationships and families, increased crime and significant additional expenditure requirements.

Despite continuing high unemployment in Australia and its importance as a national policy issue, there have been few analyses of the costs of unemployment – to individuals, the broader community, and the economy. Ultimately, public debate about unemployment and long-term unemployment in Australia suffers.

Initially, this section summarises key issues from the literature about unemployment and costs including an outline of the main findings from works such as Dixon (1988; 1992). His, and other analyses, however, concentrate on unemployment as a whole, and do not focus on young people.

With this in mind, the section focuses on the costs of young people living in poverty as a direct result of their own or of their family members' sustained unemployment. The framework for this exercise has been assisted by the earlier research findings in this report about young people, poverty and long-term unemployment.

The emphasis has been on arriving at a reliable and valid *estimate* of costs. The overall approach and the estimate of costs have important implications for national policy debate about youth unemployment as well as for further economic analysis. These are discussed in the last section of the report.

Most chicks work just to pay for child care, you're better off on the pension.

Young woman, Adelaide

The costs of unemployment: A general picture

The issue of unemployment and the assessment of its costs highlights a fundamental tension between "what exists" and "what can be measured". People, especially those who work in front-line welfare agencies, usually have a strong intuitive sense of the social and economic costs of unemployment. Yet when it comes to reflecting these realities in an econometric exercise the limitations are clear and, to many, frustrating. Hutton (1995, p.292) captures this situation:

> *There is a constant tension between the quest for economic efficiency measured by the stock market criteria, and wider considerations of efficiency in which some calculus of social return needs to be integrated, but which the regulators are unable to express.*

This notion of a social calculus is crucial to understanding the costs of unemployment and how these might be measured. When people speak about the impacts and costs of unemployment, especially if they are experiencing these directly, we usually accept this as legitimate commentary and an important source of insight. Some of these impacts and costs can be identified and estimated. Others are less amenable to being identified and measured in commonly agreed ways, so there is a feeling of partial truth, of a story not fully told.

The costs estimate developed as part of this project highlights the need for more detailed studies and analyses of both the more visible or the less readily measured costs of being out of work for sustained periods of time. Irrespective of the need for more detailed studies, however, it is important to begin to look at, and integrate, both the more qualitative and quantitative aspects of prolonged youth unemployment.

A qualitative assessment of costs

The treatment of the costs of unemployment by the Senate Standing Committee on Employment Education and Training (1992) is a good illustration of qualitative analysis at work. Taking into account numerous submissions from across the country, it argues that while the social costs are difficult to quantify, there is little doubt that they are already presenting a serious threat to the well-being of Australia as a whole:

> *Unemployment, while obviously traumatic to individuals and families, chips away at the stability of communities, damages our self-image as a civilised egalitarian and caring society, and tarnishes our reputation as a country concerned with human rights and supportive of the underdog and the battler. It also undermines our efforts to create a harmonious, multicultural and tolerant society, engenders resentment against recent immigrants and refugees and further polarises society into "haves" and "have-nots"* (Senate Standing Committee 1992, p.116).

The Senate Standing Committee (1992, pp.116–117) also raised the issue of unemployment costs and crime. It pointed out that the social cost of crime among young people may be more serious than it first seems if our way of dealing with it encourages further antisocial behaviour and attitudes. This threat to social cohesion is also noted with reference to the emergence of a new "underclass" of people inescapably dependent on welfare payments through succeeding generations and disenfranchised in terms of their participation in mainstream society.

Measuring the costs in dollar terms

The attempts to measure some of these costs in dollar terms are well illustrated by Dixon's assessments, carried out for the Brotherhood of St Laurence between 1988 and 1992. These are summarised in the work of the Victorian Social Justice Council in its 1992 study on economic restructuring and job loss.

Dixon adopted essentially a macroeconomic approach, focusing on perceived downsides to unemployment and without attempting to quantify any alleged benefits of unemployment. He examined the direct impact on government revenues and outlays (outlays on unemployment benefits, the reduction in taxation collection and the costs of government services), and, using the jobless figure for November 1987 (600,000 unemployed and 500,000 on social security benefits), established that the total direct costs to government were in the order of $5–6 billion per annum. Continuing high unemployment will impose a major cost to the community as the resources available to individuals diminish and their call on government support increases. In this regard, Dixon (1991, p.9) suggests that the greater the demands for support for persons of workforce age resulting from unemployment, the more difficult will be the task of financing future social welfare outlays.

In his later examination, Dixon (1992, pp.29–30) revisited the earlier cost assessment and, using the jobless figure for March 1992 (990,000 unemployed and 820,000 on benefits), estimated that the total direct cost to government of unemployment was

between $10 and $18 billion per annum. In evidence to the Senate Standing Committee (1992, p.119), he claimed this figure could well be over $20 billion.

Dixon recognises the importance of a second round of effects but suggests that for good reasons many of these multiplier and other indirect effects (as outlined previously by the Senate Standing Committee) cannot be specifically costed. Indeed, this means that the assessment of direct costs of unemployment most certainly represents a conservative estimate (Social Justice Consultative Council 1992, p.83).

If the conclusions of the Senate Standing Committee are integrated with those of Dixon's, then we have useful insights (qualitative and quantitative) into the costs associated with continuing high unemployment. But as pointed out earlier, these are for the most part concerned with unemployment in general. Is it possible, for instance, to disaggregate the analysis with only long-term youth unemployment in mind?

> *The money is not enough, I have to give for rent, bills and transport and everything.*
>
> Young woman, Brunswick

Estimating the costs of unemployed young people who are impovershied or at risk of poverty

The overall approach taken for this task was to clarify what is regarded as a cost of long-term youth unemployment (essentially a definitional or conceptual matter) and then develop an economically acceptable, reliable and transparent measure of that cost. Limits to these estimates are noted and the total of these costs is then summed to provide a final estimate of the cost of prolonged unemployment among young people, including those who live in poverty. The steps in this process were as follows:

First, an annual estimate was developed of the individual costs of unemployment for long-term unemployed young people. These young people have been without work for 12 consecutive months and could be said to be at considerable risk of impoverishment.

Second, a similar estimate was developed for the broader community costs of long-term unemployed young people.

Third, the individual and community costs were aggregated for an estimated 54,005 young people who were without work in 1994–95. This provided us with a comprehensive picture of the social and economic impact of unemployment on a group of young people making up 18% of the total young unemployed and something approaching 1% of the Australian labour force.

Finally, an estimate of the combined social and economic cost was developed for the most marginal of the young unemployed during 1994–95. For the purposes of this study, these young people are considered to be those who are long-term unemployed and belong to the lowest income quintile, generally regarded as a viable social and economic indicator of relative poverty.

The first three estimates built up a picture of young people who exist on the margins of the Australian labour market and are clearly at some risk of impoverishment. The final estimate is intended to bring those who are not only long-term unemployed but who also belong to the lowest income quintile into stronger focus. These young people could reasonably be said to be living in relative poverty, either in family or non-family situations.

The task of developing these estimates was not, however, without its own conceptual and methodological problems.

Key conceptual issues

There is far from unanimous agreement among the economic community that there are identifiable and measurable costs of unemployment. Junankar and Kapuscinski (1992, pp.2–5) discuss these matters in their very useful overview and study of the costs of unemployment to the Australian community.

They basically subscribe to a view of economics which sees unemployment as involuntary in the main and with identifiable economic, social and political costs. Others economists and social commentators, they note, regard unemployment as essentially voluntary and something which could be eliminated with reductions in income support or measures such as a youth wage.

This latter view may seem hard to believe for those who see little practical advantage in being unemployed, but many economists subscribe to the view that there is a naturally occurring rate of unemployment which keeps the economy off the boil and minimises the risk of inflation. Rapid inflation, or debasement of a currency, is often regarded by many economists as a more difficult problem than unemployment because it affects all citizens. Others believe the existence of a pool of unemployment acts as an incentive for increased productivity among the existing workforce who recognise that they have to work harder or smarter to keep their job.

Not only are there significant differences of opinion over the idea of costs and benefits arising from unemployment, there are equally significant differences of opinion over how key concepts like "poverty" and "the

family" should be defined. This study chooses to employ the concept, introduced in Section Three, of *relative* as distinct from absolute poverty, and to use ABS data relating to family or non-family households. This means that homeless young people are not specifically identified in the data under consideration.

Some methodological issues

The conceptual differences of opinion are complicated by some major methodological difficulties and statistical shortcomings in trying to develop an estimate of the costs of unemployment among a particular type of young unemployed people.

The three main ones are as follows.

First, as Junankar and Kapuscinski (1992, pp.2, 5–8) report, some of the key measures which are relied on to develop estimates of costs are not specifically designed for this purpose and have distinct research limitations that need to be acknowledged.

Chief among these is the labour force measurement of unemployment which is generally regarded as understating the total number of unemployed people because it excludes a range of potential workers, for example, those who are discouraged at their job prospects and have given up looking for work. Some attempt is made to account for the discouragement effect in our estimate by using ABS data of discouraged job seekers, or the hidden unemployed.

Second, there is the related methodological difficulty of trying to develop uniform data in an age-group which is experiencing great personal and lifestyle changes between the ages 15 and 24. Social and economic commentary sometimes overlooks just how dramatic the changes are which young people negotiate during this critical ten-year period and it is quite difficult to advance clear generalisations which apply to all. This variety of interests and needs of the young is also reflected in the range of governmental policy measures for young people covering those who are still at school or in post-school education and/or training, through to others who have been in the labour force for close to a decade. Our study is assisted by ABS data which exclude from our estimates students who are still studying and who are registered as unemployed.

Third, the existence of different levels of policy and income provision within our federal system of government needs to be acknowledged. It is beyond the scope and time of this project to undertake a detailed assessment of State or Territory (hereinafter the States) expenditure on labour market programs and training support to young unemployed people in the 15 to 25 age-group who are seriously impoverished. Neither existing budget paper reporting nor annual reports are sufficiently detailed to provide these data, nor are the data collated on a directly comparable basis.

> *You borrow money because you run out of money out of your own dole. You borrow off someone else and you get in debt with them and when your own dole comes around again you've got to pay them and you've got less money for yourself.*
>
> Young man, Waterloo

A working approach

This report takes the view that despite the considerable conceptual and methodological difficulties and differences of opinion it is still worthwhile and practical to attempt to estimate the costs of prolonged unemployment among young people who are not at school or in further education. This is not to say that there is only one way to build up this picture but this is one of the first.

The picture of the costs of prolonged unemployment is developed in the following sequence.

First, the individual costs of long-term unemployment in the 15 to 24 age-group is developed. unemployed people aged between 15 and 24 in 1994–95, where long-term unemployment is defined as being without work for over one year, then adjusting the data for those longer-term unemployed people who are still in education or training, as well as those who have become discouraged workers.

Once an adjusted number of long-term unemployed young people has been developed, the net financial cost of sustained unemployment is calculated for each long-term unemployed young person. Net income foregone is defined as the difference between what the person receives as an unemployment benefit and average weekly earnings for that age-group. This figure excludes any estimate of income foregone for that proportion of the long-term unemployed young people who are still in education or training.

Another set of individual costs is then compiled for the changed health circumstances of people who are out of work for long periods of time. The increased psychological and physical effects of longer term unemployment have been documented earlier and are estimated in this study by calculating the additional per capita health costs incurred by all governments resulting from young people being out of work for more than one year, compared to the average per capita health cost for all Australians. This cost is then added to the total foregone income earnings giving a total financial cost to the individuals concerned.

Second, the study generates an assessment of the annual costs to the community of sustained youth unemployment in the 15 to 24 age-group. This is achieved in the following manner.

An estimate is developed for Commonwealth income security payments to the long-term unemployed. Commonwealth and State training and labour market outlays on the most disadvantaged sections of the youth labour market are then identified and costed. These estimates have been derived in large part from Commonwealth and State budgetary papers or annual reports, including the Commonwealth Department of Employment, Education and Training.

The additional amount of economic output in the Australian economy which is foregone as a result of high levels of sustained youth unemployment is estimated following Junankar and Kapuscinski (1992). This figure is the net of the estimated annual cost of net income foregone by long-term unemployed young people. This has already been included in the assessment of individual costs and is derived from average weekly earnings for young people.

The estimated foregone economic output net of foregone income provides an insight into the reduced end productivity of the Australian economy in a time of sustained high unemployment.

An assessment is also made of the additional national costs incurred by Australia's governmental agencies, less the estimated additional health cost to avoid any double counting, which results from increased service demands placed on that infrastructure by long-term unemployed young people.

Finally, the impact of the additional household cost of meeting the consumption needs of long-term unemployed young people on national savings is calculated.

No financial estimate is made of the supposed national benefit in lower inflation rate resulting from a fixed level of unemployment. This study takes the view that it is equally valid to argue that for every additional percentage point fall in unemployment levels that pressure for wage rises moderate and may in fact result in less inflation. Further, it is also clear that inflation results from a broad range of factors, including general community expectations, or influential sections of the market setting prices in order to recover costs and maintain a minimum profit margin.

The five community costs which have been netted off against measurable benefits are then aggregated in order to provide a comprehensive picture of the costs to the community of lengthy periods of unemployment among the young.

Third, the individual and community costs are combined to provide an estimate of the total cost of long-term unemployment among the 15 to 24 age-group.

Fourth, and finally, a further estimate is developed of the cost of long-term unemployment for the lowest income quintile.

We can now proceed to develop the estimates of individual and community costs, but should note that foregone taxation revenue resulting from unemployment is not regarded in this estimate as a cost of unemployment. Even if all unemployed people managed to obtain work and pay tax, the taxation revenue is then returned to the community effectively cancelling out any net additional input to the economy.

> *Rent's $90 per week and food about $30 and probably $20 a week for bills. I'm in debt, I've got another job but it's under the counter and I wouldn't survive without that.*
>
> Young woman, Brunswick

Individual costs

The picture of individual costs which is built up here makes the following assumptions.

First, being young and out of work for over one year is an important social and economic indicator that the individual concerned is, or may soon be experiencing considerable income hardship. This is more likely to be the case in poorer homes than in those families or households where there can be considerable financial support for the long-term unemployed person.

Second, being out of work for at least one year in ten between ages 15 and 24 is likely to have significant longer-term effects on a young person's earning capacity and lifestyle, but this study is primarily concerned for reasons of time and scope to estimate annual rather than lifecycle costs. A more extensively funded and researched investigation could incorporate all the necessary dynamic factors.

Third, those who are regarded most at risk of impoverishment or are currently living in poor families are assumed to belong to the lowest income quintile.

Having noted these assumptions, we develop an estimate of individual costs by adding net foregone income and additional national per capita health costs for those long-term young unemployed and not in education or training in the 15 to 24 age-group. A final estimate of the costs of long-term unemployed people, less those in education and training, in the 15 to 24 age-group living in poverty is then derived from the total cost for this broader social group.

Numbers of young unemployed

Table 9 below uses quarterly figures to show that an average of over 66,325 young people in the 15 to 24 age-group were without work for over 52 weeks in the

1994–95 financial year. This amounts to 22% of the total unemployed labour force aged 15 to 24 and may be larger than many social and economic commentators have recognised. It certainly equates to the whole population of some very important regional cities or suburbs in Australia and we certainly should not forget what it means. In reality it means that more than one in five of every unemployed young person effectively had no work at all in the period under review.

Table 9: Total numbers of long-term unemployed

	15 to 19 years old	*20 to 24 years old*	*Total*
Sep–94	26,500	46,400	72,900
Dec–94	28,600	39,400	68,000
Mar–95	20,800	43,600	64,400
Jun–95	21,200	38,800	60,000
Quarterly average	24,275	42,050	66,325

Source: ABS Catalogue No: 6203.0, Table 27

Adjusting for other labour market effects

It is important in building up a picture of the individual costs of these unemployed young people to recognise that the official figures are said to both overstate and understate the real number of young people who are actually out of work and willing to work.

ABS data in Catalogue 6203 shows that there were 63,200 young people aged 15 to 24 who were unemployed but still in education or training at end June 1995. Working on the conservative assumption that long-term unemployment affects young people in education and the labour market equally, this suggests that 22% (or 13,904) of young people who were included in our estimate in Table 9 should be discounted from our final estimates.

The figures in Table 9 also need to be adjusted for the discouraged worker effect. This involves developing an estimate of the proportion of young people who have given up looking for work because they are discouraged by their job prospects.

The estimate is derived from the ABS survey, *Persons Not In The Labour Force* (Catalogue No. 6220.0.40.001) at September 1995. This is an annual survey and indicated that there was a total of 7,200 discouraged young workers concentrated in the 15 to 24 age-group. These figures have again been allocated to the long-term unemployed category on the same basis as those in education, namely 22% of the sample.

Table 10: Long-term unemployed adjusted for participation in education and discouragement

	15 to 19 years old	*20 to 24 years old*	*15 to 24 years old*
Long-term unemployed	24,275	42,050	66,325
Less: those in education (est.)	3,322	10,582	13,904
Add: discouraged workers (est.)	1,210	374	1,584
Total	22163	31842	54005

Source: ABS Catalogue No. 6203.0 and 6220.0.40.001

> *That's why there is crime, because the government doesn't pay us enough to last two weeks, and by the end of one week you're out there thieving or trying to find some other way to make money.*
>
> Young man, Waterloo

Net income foregone

It is now possible to develop an estimate of the net income foregone by the revised sample of long-term young unemployed people. The revised estimate is 54,005, some 12,320 less than the original figure following adjustment for both those young people in education and those who have become discouraged workers.

Net income foregone in this study is measured by the difference between average weekly earnings and Commonwealth income payment benefits.

The average weekly earnings data (Table 11) are derived from the ABS August 1994 Product No. 6310.0.40.001, or Weekly Earnings of Employees (Distribution) Australia.

The estimates of Commonwealth income payments (also see Table 11) are derived from Chapter 8 of *Information Handbook (Department of Social Security 1995)*. These payments are effective from March 1995 and have been derived by averaging payments for both family and non-family situations, on a payment ratio of four singles to one couple. The Social Security payments which have been used as the basis for the 15 to 19 age-group are those which apply in the 16 to 18 age-group and for over-20-year-olds in the older age-group.

Final individual cost

It is now possible to develop a yearly estimate of the individual costs for long-term young unemployed people as well as for those who are considered to be in relative poverty.

Table 11: Estimate of net income foregone – dollars

	15 to 19 years old	*20 to 24 years old*
AWE	$ 281	$ 450
Average unemployment benefit	$ 76	$ 112
Net weekly foregone income	$ 205	$ 338

Source: ABS Product No. 6310.0.40.001 and DSS Information Handbook 1995a.

The total individual costs for the young long-term unemployed involve adding the net income foregone and the estimated additional per capita health cost for these young people. The *additional* per capita health cost for the young long-term unemployed is estimated to be $251, or 20% of the total annual per capita outlays on health by all Australian governments in 1993–94, namely $1,255. It seems both reasonable and fair to estimate that long-term unemployed young people who have been without work for one year or more would experience 20% higher health costs than the average Australian.

The individualised income and health costs amount to more than three quarters of a billion dollars or $809,467,827 in 1994–95.

Assuming that young people experience poverty in approximately the same proportions as the rest of the Australian society, the bottom quintile of young long-term unemployed Australians incur an estimated cost of $162 million on a yearly basis.

Table 12: Estimated individual cost of young long-term unemployed persons – yearly

	15 to 19 years old	*20 to 24 years old*
Total long-term unemployed	22,163	31,842
Net annual foregone income	$10,660	$17,576
Est. net foregone income-yearly (a)	$236,257,580	$559,654,992
Additional health cost	$251	$251
Est. additional health cost-yearly (b)	$5,562,913	$7,992,342
Total individual costs (a plus b)	$241,820,493	$567,647,334

Source: ABS various and DSS

Community costs

The study proposes to develop an estimate of the community costs of impoverished long-term unemployed young people in the following manner.

Five sets of community costs are identified and estimated for the long-term unemployed segment of the youth labour market aged 15 to 24. This numbers 54,005 on an adjusted basis or approximately 18% of all young unemployed between the ages 15 and 24.

The impact of this community cost is then calculated for the bottom quintile of long-term unemployed young people.

Commonwealth income support outlays

The cost of Commonwealth government outlays on unemployment benefits to the young long-term unemployed is estimated by multiplying the average weekly payment for both the 15 to 19 age-group and the 20 to 24 age-group by the adjusted numbers of young long-term unemployed (less estimate for those in education plus those discouraged) in these age-groups.

This provides a figure of $87,588,176 and $185,447,808 for each group respectively, or $273,035,984 for the 15 to 24 age cohort.

This estimate may be on the conservative side given that the total Commonwealth benefit payments to provide income security for the unemployed are reported to total almost $7.7 billion for 1993–94 (DSS Annual Report – Appendix 4 Financial Statements). The number of long-term unemployed young people in our estimate aged 15 to 24 represents about 7% of the total numbers of unemployed people in Australia. On the not unreasonable assumption that they receive payments at about an average rate (remembering we are dealing here with the long-term unemployed who are more reliant on income security than the average unemployed person) they would receive approximately $539 million of income security payments in a full year.

Labour market training costs

An estimate of Commonwealth and State training and labour market outlays on the most disadvantaged sections of the youth labour market can now be identified and costed.

The most visible programs are those provided on a national basis by the Commonwealth and which are targeted to the most disadvantaged sections of the youth labour market.

These include:

• The Australian Traineeship System which is designed to assist the long-term employment and career prospects of young people seeking non-trade employment. The cost of this program in 1994–95 amounted to $15.4 million but the Economics Analysis

Division of DEETYA has advised (6 May 1996) that only 5% of this fund was spent on long-term unemployed young people. This represents an outlay of $770,000.

• Other Commonwealth measures to assist disadvantaged young people through vocational education and training such as the Special Assistance Program (SAP) to out of trade or unemployed apprentices, or support for pre-vocational places in TAFE or other accredited providers of such courses. These are estimated to have cost $11.2 million in 1993–94.

• Commonwealth government assistance provided to employers through the wage subsidy program Jobstart to act as an incentive to take on long-term unemployed workers – $411.8 million was allocated to this program in 1993–94 and assuming that approximately one-quarter of all long-term unemployed are aged between 15 and 24 this would give a full year cost of $102.95 million.

• Other Commonwealth programs providing complementary support to Jobstart such as Contracted Placement and Job Start Assistance are estimated at $7,671,250 for 1993–94.

• Training assistance, such as the Jobtrain program which enables the Commonwealth Employment Service to buy courses and places from training providers to meet the personal and vocational needs of long-term unemployed job seekers and those at risk of becoming long-term unemployed; Accredited Training for Youth (ATY); and the Landcare and Environment Action Program (LEAP). The annual estimated cost of providing these Commonwealth training services to the long-term unemployed in the 15 to 24 age-group amounted to $61.95 million.

• Two other employment-directed training programs, Skillshare and Disadvantaged Young People (DYS) Services, costing an estimated $45,807,500 for the target group of our study.

Taken together, the full year estimate of Commonwealth vocational training and employment support programs comes to $230,348,750.

State training and employment outlays

As stated at the introduction of this section of the report it is not possible to develop a detailed assessment of the training and employment funding support effort on a States basis within the time frame or budget for this project.

The Budget Estimates for Victoria (1994–95) for example, do not contain a detailed financial breakdown of the Victorian funds allocated to training and employment support for all ages let alone by the young unemployed, including those who are in considerable financial hardship. The total program outlays for program 152 – Employee Relations and Employment totalled $23,704,000 for 1993–94. It is understood that approximately two-thirds of this was expended on departmental costs including workcover premiums, capital charge and payroll tax and other taxes paid. Assuming that approximately $10 million was available for employment and training support and about 10% of this was directed to long-term unemployed young people then a statewide figure of $1 million would seem a reasonable first estimate.

Assuming this level of spending is replicated across the country then the States would be allocating about $5 million in total on programs for this target group.

Foregone economic output

An estimate of the amount of economic output in the Australia economy which is foregone as a result of high levels of sustained youth unemployment can now be developed following Junankar and Kapuscinski (1992, p.23).

Junankar and Kapuscinski develop three measures of foregone economic output. These are the average wage method, the average product measure and an approach based on Okun's law. Neither of the first two methods makes any allowance for variation in skill levels among the unemployed, or the heterogeneity of the unemployed. They also assume a one to one relation between employment and output.

The approach which is based on Okun's law assumes a three to one relation between output and employment. Taken together these three methods are then averaged by the authors to produce an average economic output cost of 9.3% of gross domestic product for the recession year 1991–92.

Applying a more moderate assumption of only 5% foregone economic output to the average gross domestic product result of $414,789 billion in 1994–95 would result in an estimated foregone output of $20,739,450,000.

Adjusting this figure for the fact that young long-term unemployed aged 15 to 24 in our estimate made up 7% of the total unemployed in 1994–95, then this amounts to $1,451,761,500.

Acknowledging that the average weekly earnings approach has already been used in estimating individual costs above ($809,467,827), and in order to avoid double counting, it is necessary to subtract the estimated average wage costs from the estimated foregone economic output costs based on an average of the three methods used by Junankar and Kapuscinski.

This results in an additional foregone economic output for 1994–95 of $642,293,673.

The loss of net income and economic output provide an insight into the real loss in economic benefits which flow to individuals and the community from having a higher proportion of people out of work than would otherwise be the case.

Indirect administrative costs

The second last community cost to be developed involves estimating the additional imputed administrative cost of government which results from having a relatively high number of young people out of work for longer than one year.

Chief among these, and excluding some costs which have already been estimated, are a perceived increase in the cost of controlling crime, an increase in household or family breakdown, plus the additional administrative overheads incurred in those government departments with a major role in servicing the program delivery needs of the long-term young unemployed.

Previous national research by Novus Research (1994 & 1995) has estimated total national government outlays at something approaching $9,000 per capita in current prices. Assuming an additional administrative cost of 20% per long-term unemployed young person because of their extra demands on government services and excluding the previous estimate for additional health costs ($1800 - $251) would result in an estimated net additional administrative cost per long-term unemployed young person of $1,549.

This additional administrative cost Australia-wide, less the amount previously estimated for extra health costs, amounts to $83,653,745 on a yearly basis.

Additional household costs and national savings

The final community cost to be estimated is foregone national savings resulting from the additional family or household cost of maintaining someone who would otherwise be financially more independent or no longer as dependent on the household in question. Funds spent on consumption for these persons reduce the source of funds available for national savings purposes, namely investment in new public and private capital infrastructure. The basis for these figures is the ABS Summary of Household Expenditure in Australia (Catalogue No. 6530.0).

Table 11 of the Household survey shows that the average weekly household expenditure in Australia for 1993–94 was $592.97. It also indicates that average weekly household expenditure for the unemployed is $162 less, or $430.98.

Assuming that maintaining a young unemployed person for a year incurs additional weekly household costs amounting to 50% of this difference, namely $81 per young person, this would result in a yearly cost of $227,469,060. Assuming a national savings ratio of 20% this would result in reduced national savings of $45,493,81.

This would seem to be a reasonable estimate give the fact that if the young people were working, they would be bringing in an amount varying from three to four times the additional cost to the household assuming they were able to earn average weekly earnings achieved by their age-group.

Final community costs

It is now possible to aggregate the community costs. This is illustrated in Table 13 and shows that total community costs amount to $1,280,825,964.

Table 13: Community costs of long-term unemployed in dollars, 15- to 24-year-olds

Costs	$
Commonwealth income security payments	273,035,984
Comm and State training & employment programs	235,348,750
Additional foregone national economic output	642,293,673
Additional administrative infrastructure costs	83,653,745
Net loss of national savings	45,493,812
Total estimated community cost	1,279,825,964

The community cost of those young people in the lowest income quintile can be derived from this and amounts to $256,165,193.

Bottom line individual and community costs

The combined individual and community costs of having 54,005 young people out of work for 12 months or more in Australia in the financial year 1994–95, are estimated at just over $2 billion.

This is made up of:

Final individual cost	$ 809,467,827
Final community cost	$ 1,279,825,964
Total costs	**$2,089,293,791**

Bottom line costs of long-term unemployment in lowest income quintile

The estimate which this report is prepared to advance as representing a reasonable first estimate at the combined individual and community costs for long-term unemployed young people living in poverty is derived from the previous calculations and amounts to just under $420 million.

This is made up of:

BEST COPY AVAILABLE

Final individual cost	$ 161,893,565
Final community cost	$ 255,165,193
Total costs	**$417,058,758**

The report has assumed, as previously mentioned, that approximately one in five young people live in relative poverty. This may, in light of further research, turn out to be an underestimate of the real situation.

The estimate we have developed translates into the significant finding that

the annual combined individual and community cost of long-term unemployment amounts to $38,687 for each of the 54,005 young people in our study.

This figure is more than $4,000 above the average weekly earnings on an annualised basis of $34,315.

The quarterly data for 1994–95 showed an average of 306,550 young unemployed people. If one makes the reasonable assumption that these other 250,000 young unemployed young people have been without work for six months (refer Section Two, Table 4 for the average duration of youth unemployment),

the yearly costs of total youth unemployment in the Australian economy amount to between $6-7 billion.

Looked at from another economic perspective, the costs of long-term unemployment among young people amounted to one half of one per cent of gross domestic product in 1994–95. The costs of all young people being out of work in any one year may be as high as 2% of Australia's total economic output. This estimate not only indicates that the costs of long-term unemployed may be far higher than many have previously thought, but suggests that a new mental set and seriousness of purpose is required to tackle the issue of long-term unemployment among young Australians.

Section 6

Conclusions and future directions

We have an unprecedented crisis in the work opportunities and life prospects for young Australians aged between 15 and 24. We have significantly diluted our inheritance and it will take enormous effort to re-invent a political culture and the social institutions necessary to again give our young people hope and dignity.

John Spierings (1995, p.26)

THIS FINAL Section draws a number of conclusions from the research and then proceeds with a discussion of strategies and future directions. One of the aims in this discussion is to show the broad sweep of possible strategies as identified by commentators across a spectrum. The report concludes that a different policy mindset is needed. The hopes of young unemployed people for work, a place in society and a decent standard of living will not necessarily be realised by high and suststained rates of economic growth, the maintenance of a strong and responsive suite of labour market programs, or maintaining goals of educational retention. Significant reductions in unemployment generally, and youth unemployment in particular, require a "whole of society" response.

Youth unemployment at crisis point?

Langmore and Quiggin (1994, p.1) assert that Australia is experiencing the most damaging crisis since World War Two because of its unemployment problem, even if public discourse does not reflect the seriousness of this disaster. Spierings (1995, p.26) argues we now have an unprecedented crisis in regard to young people's work opportunities and life chances. Is this really the case? If we accept the notion that a crisis is a particularly critical time in the course of events, the crisis argument is strong on a number of counts – on economic grounds, in personal and social terms, and with respect to our political will and directions in economic policy.

The cost burden

The crisis of youth unemployment can be argued on economic grounds. The goal of an efficient economy with a productive and highly skilled labour force sits uncomfortably with sustained high unemployment.

It has been established that unemployment imposes substantial economic costs on the Australian

community. As we indicated in the preceding Section, Dixon, in evidence to the Senate Standing Committee (1992, p.119), made a conservative estimate that the costs of unemployment could exceed $20 billion per annum. Our own estimate of the costs of long-term youth unemployment stands at just under $2 billion per annum and if we assume that all unemployed young people have been without work for six months, the yearly costs of youth unemployment amount to between $6-7 billion. The body of evidence suggests that these costs are much greater than the Australian community has been prepared to imagine. We believe they are much greater than many economic and social commentators have previously recognised.

We noted in the previous section that our approach to estimating these costs was not the only way to build such a picture, although we believe that this exercise is certainly one of the first to do so. There are two important implications. There may be people who wish to dispute the costs estimate, with conceptual, methodological or even ideological issues in mind. If this is the case, then people should make clear the basis to any challenge, and where appropriate, provide supporting evidence. At the very least, this should keep economic debate and attention focused on the cost of youth unemployment and unemployment in general.

The other implication, however, is for further research on the costs question. The research brief from the NYARS committee called for an estimate of costs. This was an important step. This initiative aside, we need to ask why the costs of unemployment seem to have barely featured on the formal economic research agenda in this country over the past 15 years?

Whether this lack of notice has occurred through diffidence or different priorities, the debate about youth unemployment, like many other key areas of public policy, has suffered through a lack of economic measurement or as Hutton (1995, p.292) puts it, a wider consideration of efficiency in which some calculus of social return needs to be integrated. The estimate of costs arrived at in this research challenges our ignorance or complacency as to the burden youth unemployment imposes on young people and the Australian community. But this estimate on its own is not enough.

• *Our first conclusion is that while the costs of youth unemployment are downplayed or ignored, action on youth unemployment is stymied. It is crucial, therefore, that the costs are placed at the forefront of debate. As one strategic response, the NYARS committee should now consider supporting further economic research on the costs issue, including the possibility of developing a comprehensive and dynamic economic model.*

Disconnection from mainstream work and society

As we demonstrated in earlier sections, almost half of Australia's unemployed (around 400,000 people) are under the age of 30. Over a quarter of a million young people aged 15 to 24 are unemployed. Over 50,000 of these have been unemployed for longer than a year. One in every 11 Australians is now living in poverty. And apart from those young people aged 15 to 24 years currently long-term unemployed, what of the future for the 200,000 children who have a parent who is long-term unemployed?

In the introduction to this report, we posed the following questions. What do young people actually do in the year or more when they are unemployed? How do they get by? What is their future? This research, both in its synthesis of other work and through our own contact with young unemployed people, provides the following answers.

> *Give us a commitment for future work, give us some money to get there, to get that job, give us some kind of training towards that job, so that we will get that job. Don't leave us floating in the air.*
>
> Young man, Fairfield

While there will always be some young people who are not necessarily troubled by unemployment, the overwhelming evidence is that unemployment, and especially long-term unemployment, exacts a terrible and cumulative toll. With little to do in any constructive or positive sense, life is pretty boring and empty. It becomes harder to remain motivated. Rather than being a voluntary and pleasurable state, prolonged unemployment is more likely to be oppressive, resulting in subsistence living, a loss of personal autonomy and control, frustration, anger, low self-esteem and social alienation.

To be unemployed for a long time, or to be growing up in a family where unemployment has struck one or both parents, is a grim adolescence and start to adult life. Unless there are dramatically improved supports for reintegrating these young people with mainstream education, training and employment opportunities, it is conceivable that many of them face a future without work and with little or no chance of a decent standard of living others take for granted.

• *Our second conclusion is that unemployment, and youth unemployment in particular, is not just a situation of involuntary unemployment where some rigidities in our labour market need to be ironed out. It is more than a case of low self-esteem among some young people. It is about societal exclusion, hardship and personal unhappiness. It is about wasted resources and unrealised potentials. It repre-*

sents a significant disconnection from mainstream work and society for all the young people and many of their families. It goes to the heart of how we create and maintain the conditions for social cohesion and political stability.

Strong, practical and individualised supports

In the section on policy and program responses, we highlighted a program approach which links up long-term unemployed young people with *an actual job* (prior to anything else happening); provides specific and relevant training for that job; and ensures there is ongoing support both in the workplace and from program staff. Programs of this nature recognise that long-term unemployed young people are usually on a downward spiral in the sense that they have become profoundly and negatively affected in their personal life. There is a recognition that some "circuit-breaking" is required and that the young people involved will need some major, positive experiences before they should even move into a job and successfully become re-integrated to work and community life.

All parties to this program approach win out. The employer knows that the young person about to be employed will have been appropriately trained and that the business will receive support for a designated time. The young person knows there is a job at the very beginning and is more likely to make and maintain the necessary commitments to fulfil the requirements of the program. In observing the high success rate of such a program, the providers can promote the approach and its benefits in wider fields.

• *Our conclusion here is that the reduction of long-term unemployment and impoverishment among young people hinges not just on appropriate economic policy choices but also on ensuring there is in place the necessary labour market program support. In this regard, the degree of young people's marginalisation should not be underestimated. Their access to employment will be improved by an extensive suite of programs which recognise that young people who have been at the margins need strong, practical and individualised supports.*

Political will and appropriate economic policy choices

We are arguably at a critical point in regard to youth unemployment, political will and the appropriateness of prevailing economic policy directions.

In early March of this year, a national current affairs program on Channel 9 ran a series of stories focusing on a trio of young unemployed people from a western suburb of Melbourne, St. Albans. They were taken to South Molle Island where they were offered "jobs in paradise". For several personal reasons they refused the jobs. Their decision caused an outcry in the popular press and electronic radio. Various media commentators reacted swiftly. John Laws called them "putrid", while to Alan Jones they were "lazy bastards". Sydney newspaper columnist Piers Akerman described them as the "patron saints of dole bludgers". The South Molle employer said "there were jobs around all right". Mike Munro from *A Current Affair* said the young people represent a "sad but rare example of loafers on the dole" and thousands of readers of Melbourne's *Herald Sun* phoned in to demand that the young people lose their unemployment benefit (Button 1996, p.A27).

The problem with these attacks, by people with a high media and public profile, is that they promote the view that jobs are "out there" when there is actually insufficient work for all; that unemployed people (the million or so of them) are not prepared to take available jobs; and that there is no need for serious policy debate and action other than exposing alleged loafers on the dole. In so doing, the unpalatable facts are conveniently ignored.

Three of these facts, in particular, highlight the extent of the serious policy challenge. The first, as Chapman (1993b, p.22) observes, is that the "inflows" to the pool of the long-term unemployed go up considerably after a recession begins. The other big fact, says Chapman, is just as alarming. Once a large pool of long-term unemployed people exist, it is difficult to reduce its size. Rapid economic growth helps, but it is not enough on its own. The third and related fact is that despite the job growth in the 1980s (which is needed anyway because our population is growing), the level of unemployment and youth unemployment especially has hardly been affected.

These are not the only hard issues we face on the question of sustained unemployment in the Australian community. In a number of important ways, the policy challenge revolves around the fact that in the mid-1990s in Australia, we are having to come to terms with a dramatically transformed labour market, a new one where low skilled workers will not have much of a chance (Green 1995b, p.11). The unpleasant dilemma for many Australians is that while new technologies are creating high skill employment opportunities, they are also adding substantially to our unemployment, and existing modes of employment still keep about one worker in five in less desirable working conditions (Jones 1992, p.15).

Part of the policy challenge lies also in combatting what seems to be inertia or acceptance of high unemployment, irrespective of whether the casualties are young or older people. In earlier times, the Menzies Government almost lost office with 2% unemployment. In 1993, the Federal Labor Government was

re-elected even though one million people were unemployed. The Senate Standing Committee (1992, p.1) alluded to this lack of urgency in its observation that while "youth unemployment is everybody's problem ... as a society we have been slow to acknowledge that this is so. Some still have to be convinced".

> *They think that all teenagers are not ready for work. They think that you just want to muck around and that you are not serious about something.*
>
> Young woman, Footscray

This inertia may well be an early indication of what Blakers (1992, p.210) has foreseen as an increasingly possible future – a two-class society of the well employed and the rest. As Colebatch (1995) has pointed out, there are 1.8 million children (45%) who have both parents working; 1.23 million children (31%) who are growing up in traditional single-income households; and a further 315,000 children, or 1 in 12, who are growing up in two-parent homes in which neither parent has paid work.

The seeming indifference may also be a representation of a complex psychology at work as people grapple with notions of globalisation, rapid technological change, economic restructuring and maybe their own job insecurity. But as White (1994, p.20) argues, within the context of widespread change and transformation, there is nevertheless scope for various types and levels of conscious human intervention.

Reducing youth unemployment is not simply a matter of finding the right mix between private and public sector responses on job creation. It will not be resolved quickly and it has to be properly resourced. It also requires action on a number of crucial and related fronts – social security and family policy, education and training policy, trade and industry policy, regional policy, and taxation reform.

• *It is here we draw a fourth conclusion. The economic policies pursued by Australian governments during the past two decades have seen unemployment increase from just over 6% in 1978 to almost 9% in 1996; a doubling of the average duration of unemployment in this same period from 26 weeks in 1978 to more than a year (54 weeks) in August 1995; the persistence of very high youth unemployment for a decade. In addressing these problems, it is not unreasonable to ask whether the political will has been strong enough and whether the prevailing economic directions are likely to lead to any significant reduction in youth unemployment.*

Future directions

In its submission to the Committee on Employment Opportunities, the Brotherhood of St Laurence (1993) identified a four-part strategic framework to guide action on unemployment: recognise the problem, including the impact on people's lives and the costs; make the required political commitment to reducing unemployment; articulate a guiding vision; and finally, develop effective responses.

Some recognise the need for vision more than others and have been able to flesh it out compellingly. Consider the concluding statement from the Jobs for Young Australians Conference held in Adelaide in August 1995. It saw Australia as:

> *... a nation where all young people are contributing their individual insights, creativity and skills to the community through enterprise initiatives and employers who are committed to high quality production and service provision. Where all young people are able to contribute irrespective of race, gender, sexuality, disability or geographic location. The vision is of an Australia that is regionally active throughout Asia and the Pacific with employers, unions, community and governments co-operating to achieve mutually beneficial national goals. The Conference believes that the nation's priority economic and social goal must be full employment, in deeds not just in words.*

The necessary vision is simple and potent: a cohesive society relatively free from disadvantage, poverty and inequality; an adequate income and standard of living for all Australians; and genuine and equitable opportunities for meaningful social and economic participation (Brotherhood of St Laurence 1993, p.11). This is an important first step. But there are some critical policy issues which impinge directly on the crisis of unemployment and the realisation of such a vision.

Critical issues for public policy

The sweep of economic change since the mid-1970s has been immense. Barry Jones (1992, p.11) portrays the change in the following way:

> *What Australia is currently experiencing is not an industrial society in decline which needs temporary support – tariffs, quotas, bounties – for restoration, but a new type of society with different economic bases. It is no longer a national self-sufficient economy but an aspiring major contributor to a global one. Knowledge and skill have replaced raw materials and muscle-power or the traditional willingness to work harder; we have a post-industrial or information society which is operating pretty much as one would expect, but which needs the shock of recognition to enable it to fulfil its productive capacity.*

It is not just the shock of recognition that is needed. Change of this nature and degree does not come trouble free and the fulfilment of our productive potential will depend on a mindset which understands

and can countenance a number of key adaptions in the way we move to a high skill society, including the approach we take to the nature of work and its distribution in society, and whether we are able to redesign our social security policy.

In this regard, Green (1995a, p.11) points out that young people tend not to be highly skilled and the labour market is moving in favour of older, higher educated and higher skilled workers. He also notes the elimination or phasing out of tariffs does not mean that Australian industries all of a sudden reach new competitive heights, "there is no theory of spontaneous entrepreneurial combustion although the neo-classical thinkers of Australia might have us believe otherwise" (Green 1995a, p.12).

> *I worked for eight months, a year and a half ago.*
>
> Young man, Brunswick

Instead of the traditional concept of a full-time job and a decent wage, there are not only large numbers of Australians unemployed and many for long periods of time, but there are also large numbers who are underemployed in part-time or casual work with an inadequate income. Recent ABS data (1996) indicate that more than half a million (537,200), or one in four, people working part-time, want to work more hours.

This significant change in the labour market indicates that Australia is becoming a country divided between families with two jobs and those with some work or none at all. As Colebatch (1995, p.15) points out, there are now the "work privileged" – 1.8 million children, or 45%, have both parents working ... the elite are the 22% of couples with dependent children in which both parents are working full-time ... 1.23 million children (31%) are growing up in traditional single-income households ... one in six Australian children is growing up in a single parent family ... Less than half (263,000 children) have a working parent at home, whereas 358,000 do not. Only 40% of single mothers have a job ... A further 315,000 children, or one in 12, are growing up in two-parent homes in which neither parent works ... For many, their parents are unemployed.

The former Social Security Minister, Peter Baldwin (1995, p.29) acknowledged that the sheer magnitude of the funds flowing into the social security system challenges us to think about where we can go. At this point, however, the debate takes different philosophical paths. There are those, such as Hughes (1995, p.3), who argue that social security should be used to compensate people on low wages and that welfare should be taken out of our wage-fixing structure; and there those such as Professor Bettina Cass who advocate the need for a basic minimum wage:

> *If Australians have the political and community will to forge a system of social protection based on the principle of "solidarity" between those in the labour force (employees and employers) and those excluded from it by unemployment, joblessness, participation in education and training, ill health, disability, old age, and the responsibility to care for dependent family members, then discussion must turn both to employment and labour market program investment, social security reform and tax reform* (Cass 1995a, p.16).

These are far-reaching and interlocking debates.

If full employment remains the goal, we should be seeking, according to Spierings (1995, p.25), a new social contract on the distribution and allocation of work so that all Australians enjoy the right to work. Taking this further, Jones questions whether the reduction of work should be welcomed and encouraged or feared and fought against:

> *Post industrial technology can provide increases in output and raise consumption levels appreciably while decreasing the need for a large labour force. It is essentially a matter of choice whether the results of this change provide hardship or benefit for society* (Jones 1992, p.15).

In this vein, Jones (1992, p.15) cites the work of French socialist writer Gorz who asks that if it was seen as a good thing to campaign for reduced working hours in the 19th century, why is it not a good thing for work to be reduced to 20 or 10 hours a week, if economic and technological advances enable this to be paid for equitably?

> *You try not to think about it. But if I tried my best and that wasn't good enough, what else can I do? It puts a downer on you.*
>
> Young woman, Ipswich

Finally, there is the issue of being prepared to pay for what is seen as necessary actions to eliminate unemployment. The Senate Standing Committee (1992, p.167) for example, suggested it is reasonable that governments, employers and the community at large should assist young people in their transition from adolescence to an adulthood of economic independence and personal autonomy. After all, the committee noted, these two attributes are essential for people to function as citizens-taxpayers, producers-consumers and socially responsible participants in the community.

Australia's tax levels are now among the lowest in the OECD. Various commentators have recently raised the issue of tax reform in relation to Australia's unemployment problem. In addition to increasing revenue, tax reform is needed to encourage productive rather

than speculative investment. A number of reforms have been canvassed (see Dixon 1992; Chapman 1993a,b; ACOSS 1993; Langmore & Quiggin 1994). Some of the common features of these proposals are:

- the removal of distortions in the capital gains tax;
- the re-introduction of an inheritance and gift duties tax;
- an equitable broadening of the direct and indirect tax base;
- an increase in the revenue base of State governments on a harmonised basis between the States;
- a tightening of negative gearing provisions;
- reducing marginal tax rates at lower levels of income;
- a more neutral tax treatment of savings accounts (particularly for low-income earners) and the reduction in superannuation and home ownership tax concessions for high-income earners; and
- reductions in company or payroll tax for firms making jobs available to the long-term unemployed.

The issue of a "social protection" levy has been raised by Cass (1995a). Similar to the Medicare levy, it would be included in the personal and the corporate income tax system. Such a measure, she argues, would derive its ethical legitimacy from the purpose of helping to finance and support several forms of socially recognised contributions, including searching for paid work; working part-time without sufficient income to maintain self and family; participation in education and training; caring work in the family/household, the extended family network, and in the community. But Cass acknowledges that a reformed social security system also requires a complementary and equal emphasis on strong investment in well-designed labour market programs, so as to significantly reduce long-term structural unemployment and to increase and sustain high levels of employment.

Responses and solutions: A broad sweep

The final objective in the research brief called for a focus on strategies in education, training and employment which will reduce the risk of poverty for young people as a result of sustained unemployment.

In approaching this task, we have made two assumptions which are by now possibly self-evident: that the risk of poverty among young people will be best avoided by providing them with real opportunities for work, active participation in society, and a decent standard of living, in the immediate and the longer term; and that unemployment, among young people in particular, has reached the point where groundbreaking solutions are required.

The previous government's Green and White Papers on employment opportunities and the culmination of the thinking from this process in *Working Nation* seemed to crytallise some thinking across the country on strategies for reducing unemployment. The proposed strategies for dealing with unemployment and youth unemployment have been wide ranging.

> *There's nothing much to do when you can't get a job.*
>
> Young man, Waterloo

Easy solutions, according to Jones (1992, p.13) come in four familiar groups: make job sharing mandatory; get rid of older workers to create opportunities for the young; get rid of women to create opportunities for men; and get rid of migrants, or at least reduce the migrant intake, and create opportunities for locals. However, we need to recognise that the realistic options and possibilities are not likely to be confined to a couple of simple strategies or palliatives.

In examining the range of serious proposals put forward by various individuals and organisations over the past few years, it is possible to identify at least four main strands to the range of strategies – an increased supply of jobs, social protection, improving people's access to employment, education and training.

Increase the supply of jobs

With approximately 800,000 unemployed and another 400,000 people who have dropped out of the labour force, we can, according to Hughes (1995), assume the total job shortage is 1.2 million jobs.

There appears to be little disagreement that sustained and strong job growth is a precondition for reducing unemployment and that some acceleration of levels of predicted growth will be required. The Brotherhood of St Laurence (1993a,b, p.15) has taken this approach, along with writers such as Langmore and Quiggin (1994). They make a strong case for a stronger stimulus to economic growth and jobs growth through a more expansionary fiscal policy with additional emphasis on infrastructure, assistance to exporters and public sector employment.

They argue this approach can be justified in economically responsible terms on a number of counts: Australia's low inflation rate; the current account deficit is not a critical problem though it remains a concern; Australia's public sector borrowing requirements and general government deficit are low by OECD standards; and continuing high unemployment is damaging.

Proponents of this view believe that a slightly higher level of inflation should be countenanced as a necessary cost for reducing unemployment although it

is critical for sustained growth that inflationary expectations are minimised. In particular, because long-term unemployment raises the "natural" rate of unemployment, i.e., the rate at which unemployment cannot be reduced without an increase in inflation, reducing long-term unemployment will reduce this inflation/unemployment trade-off and thus assist growth (Indecs 1992). Significantly, the conclusion of Professor Robert Barro (1995), from extensive research for the Bank of England, was that in 120 countries over a 30-year period, the significant negative influences of inflation on growth show up only for rates above 10% a year.

A number of further considerations are identified in the push to increase the supply of jobs, including the need for low, stable interest rates as an important ingredient for increased business investment. As well, analysts such as the Brotherhood of St Laurence (1993) and Mathews (1994) contend that Commonwealth revenue is at historically low levels and will need to be increased if necessary government action to reduce unemployment is to be achieved. A reduction in unemployment in itself is an important element in achieving a reduced Budget deficit.

Proposals for a "jobs levy" have been outlined. Blandy (1993), for example, describes an enterprise-based levy in which the employees of every workplace agree to give up 5% of their pay, the proceeds of which would go to employing extra staff. Langmore and Quiggin (1994, pp.146–147) discuss a jobs levy as an income tax initiative to finance employment-intensive public expenditure.

You suffer. They all say you're no good.
Young man, Berkeley

Increased employment opportunities also require national investment and savings policies geared to the development of new Australian industries (Spierings 1995, p.25). Regional policy on jobs growth should be proactive too. As Spierings (1995, p.25) suggests, the current levels of depressed regions may not benefit sufficiently from general economic growth necessitating the formation of effective regional economic development policies that will lead to the establishment of new industries in those areas of Australia which have suffered the most severe job losses.

There is also the issue as to whether employers have a moral obligation to play a stronger and more deliberate role in generating new employment opportunities. In an era when trucking magnate Lindsay Fox and ACTU Secretary Bill Kelty criss-crossed the country to solicit jobs for young people, a leading economics correspondent reports that "let's be honest, employers who once felt a moral obligation to give a kid a job no longer care" (Colebatch 1995).

It is clear from labour market trends that many corporations have changed their recruitment preferences and are passing over young people in particular. In this regard, Hartnett (1995) provides a specific case example of one of the country's biggest banks. He indicates that ten years ago, 60% of the recruits of one of the nation's largest banks were aged 15 to 19, and all were offered full-time jobs. In 1995, less than 10% of the 4,500 people recruited in Australia were school leavers – and 20% of them were offered part-time jobs. In the same year, over 300 graduates were recruited into a purpose-built training program, as part of the bank's continuing efforts to develop a professional workforce for the future.

This recruitment preference presumably is not restricted to the corporate sector either, leading some commentators to call for stronger public sector recruitment practices which have the potential for an increase in entry-level positions for young people (Spierings 1995, p.25).

Industrial relations themes run through the debates on how to increase the supply of jobs. Some argue (e.g. Brotherhood of St Laurence 1993b, p.18) that continuing aggregate wage moderation will minimise the inflation-unemployment trade-off and maximise the long-term employment gains from the productivity growth needed for economic expansion. But it is also recognised that restraint in non-wage and salary outcomes is needed as well as restraint in prices through competition and price surveillance, and taxation and expenditure policies aimed at protecting the living standards of workers on low and moderate incomes.

Others, such as Hughes (1995), believe managers have not made enough use of enterprise bargaining to expand employment opportunities and create more flexible labour relations. Instead, they may be succumbing to the temptation to increase overtime for current workers rather than creating jobs for new workers. In this regard, it is worth noting that the first report on Enterprise Bargaining, by the federal Department of Industrial Relations (1994, p.145), found that 37% of all registered agreements had specific provisions for the treatment of overtime. It is safe to assume that the treatment of overtime is a priority for a significant number of employers, which would seem to partially reinforce this view about the deferral of new employment opportunities and overtime.

Industry and trade policy is also recognised as an important component of stronger economic growth and job supply. Active assistance is seen as benefitting sustained economic growth by reducing the balance of payments constraint through improving Australia's export position and developing import competing industries. Measures include a stable low exchange rate; assistance with product and market innovation; some special assistance; and promotion of trade opportuni-

ties. The potential benefit for small and community-based co-operative enterprises in this process also deserves examination (Brotherhood of St Laurence 1993b, p.19).

The manufacturing theme is taken up by analysts such as Green (1995b) who argues in a paper on how manufacturing can help young people to get high wage jobs, that the future career prospects of young people depend upon a competitive, dynamic manufacturing sector which over the long-term invests in new skills and technologies. This argument is also about the services sector for, as Green (1995b, p.10) suggests a viable high skill services sector is dependent upon a dynamic manufacturing base, whether or not those services directly support specific manufacturing activities.

> *You sit at home ... You can't really do anything.*
>
> Young woman, Adelaide

The debate about unemployment has focused a great deal on demand-side factors, such as public sector employment creation and wage subsidy schemes. There are differing emphases focusing on fully funded programs of social usefulness in the local and community sectors in the style of CEP (1983-87); home assistance to the frail or ill; using such organisations as Greening Australia (Chapman 1993a, p.19); private and public sector involvement; government support for small business willing to take on long-term unemployed young people (Senate Standing Committee 1992, p.178). Further, firms tendering for the provision of goods and services to the Government could be required to include the employment of some long-term unemployed; and government could institute positive publicity for firms taking up the targeted group (Chapman 1993a, p.19).

Debate about youth wages and employment surfaces at different times. Advocates of reduced youth wages work on the assumption that the market will effectively reduce unemployment among young people. Yet the Bureau of Labour Market Research (BLMR) carried out a study in 1983 of youth wages. Adopting an orthodox economic framework and with the presupposition that teenage unemployment was too high because their wage levels were too high, the BLMR's literature review proved inconclusive. It concluded that it was not possible to quantify the relationship between youth wages and the demand for youth labour (Watson 1994, p.398). Indeed, the Senate Standing Committee (1992) on Education, Training and Employment found that while youth wages rose faster than adult wages between 1972 and 1974, this was not sustained as any trend.

In contrast to the BLMR approach, Richard Sweet's (1987) analysis of the youth labour market identifies a range of causative factors at work in diminishing youth employment options, most notably to do with industry restructure, including rising productivity, technological change, a finer division of labour and tighter competition in a better educated labour pool.

> *I hope in a few years time to be going to university or something and have a stable life for my son - that's all I can hope for him. I'm 23 now. By the time I'm 30 - it's not that far away, I hope to have some achievements under my belt. I want to have something going on in my life.*
>
> Young woman, Adelaide

There are also calls for a better distribution of paid work. Hughes (1995) suggests, for example, that working the economy more intensively, making better use of investment in property and machinery and abolishing penalty rates would open up the way to more use of shiftwork and alleviate the overwork that is now occurring in many occupations. Increased use of shiftwork, so this argument goes, could lead to productivity increases in Australia's manufacturing, construction and service sectors, boosting job numbers, productivity levels, and the exports needed to resolve our balance of payments problem. The Committee for Economic Development of Australia (CEDA) recommended governments explore ways of facilitating work sharing, permanent part-time work, flexible working hours and voluntary early retirement (Argy 1994).

Redistributing work can make a major contribution to solving chronic unemployment, according to the Jamieson House Employment Group (1996). In a recent discussion paper, it explores the paradox of overwork and unemployment in Australia and presents three approaches to redistributing work:

- a national reduction in standard hours under which increases in productivity are taken in shorter hours rather than higher wages;
- an increase in variable annualised leave schemes in which employees may opt to take additional annual leave without pay; and
- arrangements such as the four-day week and long periods of leave without pay with income spread over the whole period.

Other suggestions on this issue of distribution have focused on achieving a better balance between unpaid work, caring work and paid work, and a phased reduction in working hours leading to retirement (Brotherhood of St Laurence 1993b, p.29).

Social protection

Earlier we noted the argument that social security policy in Australia was at a watershed. On this matter, Cass (1995a, p.7) suggests that debate about income support in Australia now requires bold and imaginative futures and that all elements of the system of social protection need to be laid on the table: wage fixation and the regulation of employment relationships; social transfers for those excluded from labour force participation and those engaged in caring work; public and private sector investment in employment growth; education and training; housing and regional development; and tax policy.

This is the bigger picture on income support and unemployment. Others have stressed a number of related issues to do with the adequacy of financial support while jobless, including relocation assistance (housing, transport, education of children and social supports), opportunities to upgrade skills and/or re-orient skills, and minimising the waiting periods for receipt of benefits (VCOSS 1992, p.5).

Improving access to employment

Australia still lags behind most OECD countries in expenditure on labour market programs relative to the level of unemployment (OECD 1994) and there has been a steady chorus of calls to increase expenditure in this area. Specifically, several critical aspects were identified in submissions to the Committee on Employment Opportunities in 1993, including:

- introduction of an employment guarantee for all long-term unemployed. This would send strong signals to unemployed people, staff, community; a symbol of political commitment. It should be phased in and progressively extended;
- increased flexibility in the delivery of and eligibility for, labour market programs so that they are oriented to individual needs;
- ongoing support on an individual basis right through to post-employment placement;
- revitalisation of the CES with individualised case management approaches;
- less reliance on short-term training courses;
- local job creation, job generation, and community enterprise opportunities; and
- increased funding for programs that provide opportunities for paid work experience (Brotherhood of St Laurence 1993b; ACOSS 1993).

Several of these aspects, such as case management, early intervention, and community-based employment creation have been addressed more closely. At this stage, judging from the new government's youth unemployment policy, these priorities should remain essentially the same, although different expenditure formulae and structural arrangments will possibly emerge.

More recently, the 1995 Jobs for Young Australians Conference identified a number of key proposals, including a re-configuration of labour market programs to establish a $45 million Youth Employment Partnership Program over two years. Targeted at ten regions with the highest level of 15- to 24-year-old unemployment, it is estimated to yield about 4,500 jobs, reducing average youth unemployment across these regions by about 7%.

The demarcation of long-term unemployment as a period commencing at 52 weeks ignores the possibility that people lose their skills before, rather than after this lengthy period. On this basis, the case has been put for strengthening the assessments of risk factors informing the eligibility judgments. While there is acknowledgment that this might already be occurring to a degree, the argument is for further refinement as well as individualised, earlier interventions (Brotherhood of St Laurence 1993b, p.22).

Education and training

There is unanimity that access to education and training is critical to resolving the unemployment problem. The differences appear to be on matters of degree. While there are those who seem to see education and training as the answer, there are others who clearly see that they are not sufficient on their own (Green 1995b, p.1). Various demands have been articulated, including the provision of workplace literacy and language programs, study leave, adequate child care in training/educational institutions, various skill enhancement courses within workplaces, and extended income support and study leave provision for workers to undertake full-time education.

The Senate Standing Committee (1992, p.172) was concerned about young people who had left school early or who are currently unemployed. It recommended that the Australian National Training Authority examine the question of education and training re-entry points for these young people and develop strategies to include young people aged 20 to 24 in the Australian Vocational Certificate system.

The range of suggested responses outlined here make up what Green (1995a, p.12) has described as "the patchwork quilt of measures to deal with youth joblessness". In aggregate, these responses provide a variety of legitimate alternatives to an established policy and program orthodoxy. On their own, they will be inadequate and they may not necessarily enjoy strong support. Some are genuinely ground-breaking. What remains to be seen is the status they are accorded in a new political environment, what strategic choices are made and how adequate these prove to be in eliminating sustained unemployment and poverty among young Australians.

National politics and youth unemployment

The first few months of 1996 saw the issue of youth unemployment clearly on the political agenda. Both major federal level parties developed detailed youth policy statements and made these the focus of high profile launches. These are outlined briefly here. The intent is to capture the essence of the policies rather than cover all specific initiatives and commitments.

Labor's Young Australia

Labor's policy statement was released in late January 1996 in a speech delivered in Frankston, Victoria by the then Prime Minister, Mr Keating.

At the outset, it was argued that young people cannot very usefully be separated out from the things that mattered to the rest of Australia – they benefit, like everyone, from a healthy economy, a stable and cohesive society and from the elements of the social system which protected wages and conditions, provided universal health care and other social assistance.

On the question of youth employment, the policy statement acknowledges that nothing rivals a job. Young people, said the Prime Minister in his preface, need jobs – as a means of sharing in the common wealth and building self-esteem and faith in themselves and their country.

> *Food every day and no debts. A stable job and a roof over my head.*
>
> Young woman, Waterloo

The employment prospects of young Australians were set in the context of Australia's integration with Asia and the Pacific Rim. If the momentum of APEC could be continued, young Australians would benefit beyond measure – from extra national income and new jobs created by this additional wealth and re-investment. Small business was also acknowledged as vitally important to the employment of young people, along with a continuing emphasis on education and training.

The policy cited *Working Nation* as the biggest investment in employment in the country's history. It was described as the Government's manifestation not to leave behind the victims of the recession and structural changes in the economy. Nonetheless, it was conceded that *Working Nation* had yet to resolve the national problem of unemployment.

New measures were announced totalling $209 million up to 1999–2000. These included an eight-fold expansion of student places in the Jobs Pathway Guarantee; support for programs involving up to 15,000 placements for school students under the Australian Student Traineeship Foundation; provision for employers to take on school students as part-time trainees and receive traineeship subsidies; 4,000 new trainees in the Australian Public Service; and 100% wage subsidies for employers of Aboriginal and Torres Strait Islander trainees.

Employment was linked to environmental protection. Landcare and LEAP schemes would be expanded and the creation of Green Volunteers would enable young Australians to work on environmental projects.

State and Territory governments were called on to "do their bit", along with local government and Australian businesses.

The Coalition Youth Policy

The Coalition's Youth Policy, released during the recent federal election campaign, set youth employment/unemployment against a backdrop of sustainable high growth of the economy, the revitalisation of small business (tax reforms, reducing red tape, maintaining low interest rates), changes to Australia's industrial relations system, revitalising the process of microeconomic reform, boosting national savings, developing the country's resources, and ensuring that Australia was at the cutting edge of science, new technology, engineering and communications.

The Liberal and National parties believed that addressing the unacceptably high levels of youth unemployment must be the first priority of a Howard Government. While Australian society still provides the chance to succeed, the policy statement argues that these opportunities, after 13 years of Labor government, were available to fewer young Australians:

> *The results of such large-scale unemployment among Australia's youth have been well documented. Poverty, family breakdown, poorer health levels and increased crime are just some of the consequences. Most fundamentally, sustained youth unemployment has affected the self-esteem and self-confidence of so many young people – often with tragic results* (Coalition Youth Policy 1996, p.8).

The Coalition position on youth unemployment revolved around the provision of "real jobs" and ensuring better education and training.

Job creation would be accelerated by freeing up small business and allowing it to expand opportunities for young people; at least $200 million up to the year 2000 would be reallocated from existing labour programs and training resources outside the youth area; intensive case management would be available for disadvantaged and homeless young unemployed people; specific regional youth employment strategies would be developed for regions of high youth unemployment; income support for unemployed young people would be maintained; and up to 2,000 full-time employment positions would be provided through a Green Corps.

> *Down the CES all the time, walking around, going to the shops and just putting your name down, you do as much as you can.*
>
> Young woman, Ipswich

In terms of education and training, a Howard Government would maintain a strong and relevant TAFE sector as the main provider of vocational education; and it would maintain general operating grants for universities; it would implement a new approach to training based on the principles of employability, coherence in certification, and close association with available employment opportunities.

These two major youth policy statements have much in common. Both assume the need for sustained high rates of economic growth; they place a strong emphasis on education and training and acknowledge the need to create jobs for young people. Both parties, though to varying degrees, recognise the potential role of small business in generating jobs for young Australians. Both embrace the environmental theme as an avenue for job creation. Certainly there are different emphases, notably on industrial relations policy, but both contained relatively modest financial commitments in regard to youth unemployment initiatives.

Interestingly, if we were judging by these written statements alone, the Coalition policy seems to be predicated on a more empathic understanding of the personal and social consequences of youth unemployment and on a recognition that there are increasing numbers of seriously disadvantaged young Australians unemployed and in poverty as a result of sustained unemployment.

Economic choices and commitments

We concluded earlier that the adequacy of Australia's economic policy choices and political will has to be questioned when these policy prescriptions have seen unabated unemployment since the late 1970s; a doubling of the average duration of unemployment in the same period and the persistence of high youth unemployment over the past 15 years.

The economic policy regimen since the late 1970s has revolved around a key assumption – that the markets for goods and services, credit and labour, display a long-run tendency to equilibrium and that the essential task is to remove impediments to market operation and trade between nations. The cornerstones have been "free markets", government non-intervention, and trade liberalisation. The rhetoric surrounding these directions has tended to focus on the need for Australia to restructure in order to become an open and competitive economy, particularly with a view to realising Australia's economic potential within the Asia Pacific region.

The resulting policy objectives of the 1980s and early 1990s have been to comprehensively overhaul and steadily dismantle Australia's protection system, completely deregulate financial and foreign exchange markets, deregulate the labour market, develop a wide-ranging competition policy and microeconomic reform agenda, privatise government assets, reduce government spending, and keep the level of taxation low. Chief among these objectives, however, has been the containment of inflation, to a target of 2% to 3%. In this regard, high levels of unemployment have served as an inflationary counter and the goal of full employment was replaced by a new target of 5% unemployment by the year 2000.

It appears that these policy directions adopted in the 1980s enjoy substantial internal and bipartisan support. Following Labor's electoral loss in March 1996, the new Opposition Leader, Mr Beazley was reported in April of this year to have told party members in Canberra that the basic direction of economic policy adopted by the Hawke and Keating governments had been right, and that Labor should not consider fundamental change of policy direction (*The Sydney Morning Herald*, 29 April, p.5).

From the Coalition's point of view, as recently as 4 June, for instance, the Prime Minister, Mr Howard, was quoted as saying that while he did not believe "the age of ideology was over ... most of the differences between Labor and the Coalition were now in social policy rather than on economic issues" (*The Australian*, 4 June, p.2).

Against the backdrop of these prevailing economic policy prescriptions, there are a number of potent constraints affecting the potential for employment generation:

- in attempting to keep pace with a growing population, approximately 1.6 million net jobs were created in the 1980s, yet unemployment, and youth unemployment in particular, has been hardly dented;
- despite record levels of foreign capital inflow after 1980, little was channelled into new mining or production which lead to new trade opportunities or job-creation in Australia's manufacturing regions (Webber 1994, pp.23–27) Indeed, manufacturing's share of gross domestic product is progressively falling; and despite increasing exports of manufactured goods, imports of manufactured goods have significantly outgrown the value of these exports;
- Australia's national saving is low owing mainly to a long-term decline in public sector saving (Fitzgerald 1993, p.1).;
- net foreign debt (total foreign borrowings less Australian lending abroad and reserves) grew from $8.6 billion in 1980–81 to $168 billion in 1992 (Webber

1994, p.24) and is still increasing:

- investment in infrastructure on for example, roads, railways, ports, airports, essential services, and telecommunications (and carried out largely through State and local government investment), has declined from approximately 9% of gross domestic product in the 1960s to under 5% in 1992–93 (Miners et al. 1995);
- government outlays have been curtailed. Total Commonwealth funding for the States – the main community service providers – has fallen from 9.5% of gross domestic product in the mid-70s to approximately 5% currently (Langmore & Quiggin 1994, p.3);
- there has been a steady decline in full-time equivalent employment in the government sector and a growing reliance on job growth in the non-government sector (Novus 1995, p.22). Currently, with microeconomic reform as the rationale, both the public and private sectors continue to cut jobs; and
- since the mid-1980s the proportion of full-time workers who work beyond 40 hours has grown from 30% to 40%. The proportion of employees working 49 hours rose from 9% in 1978 to 17% in 1995 (Dawkins 1996). Some early evidence suggests that the system of individual employment contracts is resulting in increased hours worked (*Australian Financial Review*, 31 May 1996).

In view of these trends, it is not surprising that the apparent bipartisanship on economic policy across the major political parties is coming under increasing fire. Just recently, for example, one prominent national commentator, B.A. Santamaria (1996, p.25), asks whether Australia's permanent pool of unemployed is:

> *... an unfortunate but accidental concomitant of the bipartisan economic system. Or is it, rather, a calculated policy objective, the only way known to both parties of putting a cap on the rate of inflation, so as to keep the indispensable flow of foreign funds from coming into this country?*

More widely, in July 1996, in direct response to the Howard Government's pre-budget announcements concerning the need to reduce expenditure by $8 billion, 114 university economists across the nation sent a formal statement to the Treasurer and Prime Minister.

These university economists argue that more attention should be given to the role of government in repairing the nation's run-down infrastructure, creating jobs and fostering industry and regional development. If necessary, they suggest the need to consider increased taxation and other revenue options, rather than "savage expenditure cuts (which) are economically irresponsible and socially damaging" (Stilwell 1996). They warn of the strong possibility of precipitating a substantial economic recession.

In a forthcoming book, distinguished economist Professor Russell Mathews provides one of the clearest and most systematic critiques of the policy directions prevailing since the 1980s and which seem likely to be followed by the new Coalition government. According to Mathews, the economic policies of the past 20 years have failed dismally and given rise to two intractable problems – massive unemployment and a chronic disequilibrium in the balance of payments current account.

It is a particular irony, says Mathews (1996, p.54), that one of the obsessions of government and their policy advisors has been with efficiency and microeconomic reform (leading to the wholesale shedding of labour in both the public and private sectors) when the result has been macroeconomic inefficiency on a scale that far outweighs the inefficiency eliminated through industry restructure and the downsizing of the public sector.

Drawing on key economic performance indicators for two periods, 1953–1973 and 1983–1994, Mathews (1996, pp.55–57) concludes that economic policies (based on Keynesian principles of demand management in the domestic economy and a system of managed international currencies in the global economy) succeeded post-war until they were jettisoned in favour of a laissez-faire approach to economic policy which favoured complete financial deregulation as well as narrow performance targets which excluded real concern for unemployment, distributional equity or social justice:

> *Financial markets have shown that they will not tolerate the high rates of growth and expansionary fiscal and monetary policies necessary to eliminate unemployment. Indeed, they treat higher rates of growth and reductions in unemployment as bad news, requiring governments to damp down the level of activity by raising interest rates and reducing government spending* (Mathews 1996, p.58).

Thus, argues Mathews (1996, p.59), we have lost our sovereignty and the power to carry out interventionist macroeconomic policies and reformist social policies. The values held and promoted by policymakers have shifted dramatically, from people-oriented aspirations and needs towards the goals and self-interested prescription of financial markets; and the containment of inflation and low rates of economic growth have become ends in themselves replacing humanitarian and social policy objectives.

This position seemed to be supported in recent comments by the chairman of President Clinton's council of economic advisors, and reputedly one of the world's foremost development economists, Joseph Stiglitz, who warned Western economic ministers against trying to cut deficits by cutting expenditure on programs that led to future growth:

> *... we must recognise the crucial role that supportive macroeconomic policies have in employment growth ... Not even the most thoroughgoing labor market reform can overcome the drag of chronic unemployment* (Stiglitz 1996).

Mathews (1996) contends that we have to reorder priorities and make full employment and equilibrium in the balance of payments the primary policy objectives. But this reordering involves the rejection of free market philosophy and regaining effective control by governments over economic and social policy. A return to full employment will require:

> *... a higher trend rate of growth, while recognising the inevitability of cyclical fluctuations. It will also require a return to demand management and active intervention by governments in fiscal, monetary, industry and trade policies. The intervention should support the private sector, and especially encourage manufacturing industry, to the extent necessary to enable efficient enterprises to compete fairly in domestic and foreign trade. At the same time, employment in the public sector needs to expand to provide the human and social services on which the quality of life as well as material living standards increasingly depend* (Mathews 1996, pp.61–62).

A change of priorities, which among other economic and social goals, significantly reduces youth unemployment, hinges on a central question – *can we afford the continued high cost of unemployment?*

In earlier sections of this report, we synthesised key literature on the impacts of unemployment. In human terms, unemployment is a huge burden, beyond calculation, on individuals, families and the community. By a number of economic measures, high unemployment reduces Australia's productive capacity in a number of significant ways, through lost production, consumption of goods and services, revenue, experience and skills. Indeed, as Langmore and Quiggin (1994, p.55) have argued, the potential gains of, for example, microeconomic reform, are being "sacrificed because of the failure to do anything about unemployment".

The fact that these economic costs seem to have been ignored, as unemployment has risen since the late 1970s, does not mean they are negligible. In an era of "market determinism" the costs and inefficiency of high unemployment seem to have been judged not only bearable, but a necessary trade-off, in the pursuit of a deregulated and low inflation economy.

Although there has been a steady commentary on unemployment and government policy throughout the 1980s, many of the strongest critiques have appeared more recently. This might simply be a function of time and a heightened awareness of policy directions. They might, however, be emerging from a sharpened sense of what continued high unemployment costs a society, not just in its human and economic toll, but in social cohesion and political stability. Some evidence is emerging of a belated recognition, in international quarters, that the global economy is leaving millions of disaffected workers, unemployment, inequalities, and endemic poverty in its train (Kapstein 1996).

Cox (1995) is more explicit, suggesting in her 1995 Boyer Lectures that the subjugation of social policies to a narrow set of market-driven objectives is both dysfunctional and dangerous and ultimately could destroy civil society:

> *The "social" has been relegated to such a low priority that it's almost completely off the agenda ... The dominant ideas of competition and deregulation of markets and the attacks on the redistributive roles of governments are not only dysfunctional but positively dangerous. They are part of an oversimplified dogma which can destroy a truly civil society in pursuit of the cashed-up individual* (Cox 1995, pp.4–5).

The civil society referred to by Cox is a strongly cohesive one. This social cohesion is not confined to any one generation of people. In this regard, the paper presented to the Adelaide conference on Jobs for Young Australians by Father David Cappo (1995, p.1) is important for the way it defines the concept of intergenerational equity:

> *... intergenerational equity, a concept inclusive of social equity and gender equity, is about the cross generational flows of material, emotional and cultural resources within families and within communities. It is also about the responsibility of governments as the representatives of the community to ensure that these resources are not only made available to all, but in particular and with priority, to those in most need, in this instance young Australians and most importantly, those young Australians experiencing disadvantage.*

In discharging its responsibility to young unemployed and impoverished Australians, our economic and social policy is at the crossroads. If the directions and strategies of the 1980s and early 1990s have not managed any reduction to Australia's high youth unemployment, how will their continued application make any difference? Various commentators, such as Langmore and Quiggin (1994, p.93) argue that if current policies are continued, it is unlikely that the unemployment rate will fall below 8%. The costs of youth unemployment are already high. Continued high youth unemployment will more than likely see these costs increase rather than lessen.

As the Commission on Social Justice (1994, p.398) in England suggested in its work on strategies for national renewal, "the fact that change will take a long time does not mean that there is time to spare: it means that we have to get on with it ... The more marginalised the poorest, the *higher the price* we pay for their inclusion".

Appendix 1: Questionnaire

To help us compile a picture of the people we are talking to we would like the following information from each person in the group.
You do not need to give your name.
Some questions will only require a tick in the box.

(1) I am Male ☐ Female ☐

(2) My age is ..... years

(3) The postcode of my home is: .....

(4) I was born in: ..... (country)

(5) The language most often spoken at home is: .....

(6) I am currently:

Living alone ☐ Living with partner ☐
Living in my parents home or with other relatives ☐ Living in a group household ☐

Other .....

(7) I am currently:

A private tenant:
Alone ☐
Shared household ☐
A boarder ☐

A public tenant:
Alone ☐
Shared household ☐
A home owner ☐

A home purchaser or mortgagee ☐

Other .....

(8) I have the following qualifications:

	From Australia	From overseas
No qualifications	☐	☐
Higher School Certificate	☐	☐
Diploma/degree	☐	☐
Higher Degree	☐	☐
Trades Certificate	☐	☐

Other (specify) .....

(9) I left school at the age of ..... years in ..... (country).

(10) I am currently:

Employed full-time	☐	Unemployed	☐
Employed part-time	☐	Student	☐
Employed on a casual basis	☐		☐

Other (specify) .....

(11) My current occupation is:

.....

(12) (IF RELEVANT) I have been in my current job for:

0 – 6 months	☐	7 – 12 months	☐
1 yr – 2 yrs	☐	over 2 years	☐

(13) The longest time I have spent in a job is:

0 – 6 months	☐	7 – 12 months	☐
1 yr – 2 yrs	☐	over 2 years	☐

(14) Have you had any experience of Labour Market Programs/unemployment programs:

In the past Yes ☐ No ☐ Currently Yes ☐ No ☐

Type: ..... Type: .....

(15) Who in your family is unemployed:

		For how long:	What is their occupation
Self	☐	.....	.....
Mother	☐	.....	.....
Father	☐	.....	.....
Brother/sister	☐	.....	.....
Son/daughter	☐	.....	.....

(16) My main source of income is:

Wage/salary		Pension/Benefits	
Training allowance	☐	Other	☐
None	☐		
	☐		

(17) My weekly gross (before tax) income approximately is: $ .....

(18) The (gross) income of my household each week is approximately: $ .....

THANK YOU FOR YOUR COOPERATION

Appendix 2: Participants in key discussions

We sought information from many individuals who were able to share their experiences with us and give us advice on the subject of youth unemployment through the course of the research. There were, however, a number of key people who were contacted at various stages of the research for detailed and more formal discussions.

Some of these preferred to do so without being publicised so for consistency, we have listed the organisations only:

The Social Justice Research Foundation
University of Adelaide
The Brotherhood of St Laurence
Fitzroy, Melbourne
The Catholic Social Welfare Commission
Sydney
The Employment Services Regulatory Authority
Melbourne
Breaking the Cycle
Melbourne
The Department of Employment, Education and Training
Regional Analysis and Policy
Canberra
Holmsglen College of TAFE
Special Projects/Program Development
Glen Waverley, Melbourne
Department of Sociology and Social Policy
University of Sydney
National Skillshare
Melbourne Office
Second Storey
Adelaide
South Sydney Youth Services
Sydney
Brosnan Centre
Melbourne

Bibliography

Argy, F. 1994, The CEDA Road Back to Full Employment, CEDA, Melbourne.

Australian Bureau of Statistics (ABS) 1994, National Aboriginal and Torres Strait Islander Survey Detailed Findings, Catalogue 4190.0.

Australian Bureau of Statistics (ABS) 1995, *Summary of Statistics*, Catalogue 1304.0. September.

Australian Bureau of Statistics (ABS) 1990–1995, *Labour Force Australia*, Catalogue 6203.0.

ACT Council of Social Service 1994, 'Housing Issues Paper No. 2' *ACTCOSS News*, vol.9, no.4.

Allatt, P. & Yeandle, S. 1992, *Youth Unemployment and the Family: Voices of disordered times*, Routledge, London.

Anderson, D. & Blakers, C. (eds) 1983, *Youth, Transition and Social Research*, ANU Press, Canberra.

Angus, G. & Zabar, P. 1994, *Children under Care and Protection Orders Australia 1991–92*, Australian Institute of Health and Welfare, AGPS, Canberra.

Attridge, M. 1993, 'Senate Standing Committee: Youth unemployment is a bitter harvest', *Impact*, vol.23, no.1, p.10.

Australian Council of Social Service (ACOSS) 1993, *Report of an Investigation of Approaches, Programs & Policies for Those Most Deeply Disadvantaged in the Labour Market*, Submission to the White Paper, Sydney.

Australian Council of Social Service (ACOSS) 1993, *The Future of Work*, Sydney.

Australian Financial Review 1996, 31 May.

Australian Labor Party 1996, *Young Australia*, 29 January.

Australian Youth Foundation 1993, *A Lost Generation?* The Australian Youth Foundation, Sydney.

Baldwin, P. 1995, quoted in 'The toughest job of all,' *The Bulletin*, August 15, p.29.

Barro, R. 1995, *Inflation and economic growth*, Quarterly Bulletin of the Bank of England, May, London.

Bessant, J., Cook, S., Coventry, G., Maunders, D. & Wyn, J. 1993 *Rethinking Policies for Young People*, Conference Proceedings, Youth Research Centre, University of Melbourne, Melbourne.

Blakers, C. 1992, *Is Anyone Listening? Young people speak about work & unemployment*, ACER Research Monograph No.42, Australian Council for Educational Research, Melbourne.

Blandy, R. 1993, 'Achieving full employment', *Submission to the Committee on Employment Opportunities*, Institute of Applied Economic and Social Research, University of Melbourne.

Boss, P., Edwards, S. & Pitman, S. 1995, *Profile of Young Australians*, Churchill Livingstone, Melbourne.

Bradbury, B. 1993, *Unemployment and Income Support: Challenges for the Years Ahead*, Discussion Paper No.39, Social Policy Research Centre, University of New South Wales.

Brain, P. 1993, 'Education and Training Resources, and Domestic Labour Market Outcomes', *National Economic Review*, No.26, pp.30–45.

Brewer, G. 1980, *Out of Work, Out of Sight*, Brotherhood of St Laurence, Melbourne.

Brotherhood of St Laurence 1989, *Raising the Standard for Children in Poverty*, Brotherhood Comment, Melbourne.

Brotherhood of St Laurence 1993a, *Submission to the Committee on Employment Opportunities*, Melbourne.

Brotherhood of St Laurence 1993b, *A Strategic Approach to Reducing Unemployment*, submission to the Committee on Employment Opportunities, Melbourne.

Brotherhood of St Laurence 1994, *Aspects of Youth Unemployment in Australia*, A background paper prepared for the General Synod Youth Commission, Melbourne.

Bureau of Labour Market Research 1983, *Retired, Unemployed or at Risk: Changes in the Australian Labour Market for Older Workers*, Research Report, No.4, AGPS, Canberra.

Burgess, J. 1995 'A Note on the Post-White Paper Interpretation of Labour Force Data', *Australian Bulletin of Labour*, vol.21, no.1, pp.71–75.

Button, J. 1996 'Punishing the Paxtons', *The Age*, 16 March, p.A27.

Cappo, D. 1995, *Intergenerational equity: An ethical demand from young Australians*, paper presented to the Jobs for Young Australians Conference, Adelaide, 27–29 August.

Cass, B. 1988, *Income Support for the Unemployed in Australia: Towards a more active system*, Social Security Review, AGPS, Canberra.

Cass, B. 1989, 'Solving poverty requires a total community response', *Impact* vol.20, no.1, pp.11–14.

Cass, B. 1995a, 'The Future of Income Support in an

Open Economy: The Concept of Participation Income,' paper presented at a seminar on *The Future of Income Support in an Open Economy: Basic Income Revisited*, organised by the Victorian Council of Social Service and Good Shepherd Youth and Family Services, 22 February, Melbourne.

Cass, B. 1995b, 'Two Worlds for Young Australians,' paper presented at *Jobs for Young Australians Conference*, University of South Australia, Adelaide, 28-31 August.

Castles, I. 1991, *Marriages Australia 1990*, Australia Bureau of Statistics, Canberra.

Castles, I. 1992a, *A Guide to Australian Social Statistics*, Australia Bureau of Statistics, Catalogue No.4160.0.

Castles, I. 1992b, *Social Indicators Australia*, Australian Bureau of Statistics, Catalogue No.4101.0.

Castles, I. 1994, *Focus on Families: Demographics and Family Formation*, Australian Bureau of Statistics, Catalogue No.4422.0.

Chapman, B. 1993a, *Long-Term Unemployment in Australia: Causes, consequences and policy responses*, DEET, Canberra.

Chapman, B. 1993b, 'Long-Term Unemployment: The dimensions of the problem', *The Australian Economic Review*, 2nd Quarter, pp.22–25.

Chapman, B. 1994, *The Job Compact: Reform in the Right Direction*, Centre for Economic Policy Research, Australian National University, Canberra.

Coalition Youth Policy 1996, 19 February 1996.

Colebatch, T. 1995, 'How the Jobless Statistics Work', *The Age*, Melbourne, 13 October, p.15.

Commission on Social Justice 1994, *Social Justice: Strategies for Renewal*, Vintage, London.

Committee on Employment Opportunities 1993, *Restoring Full Employment, A Discussion Paper*, AGPS, Canberra.

Committee of Inquiry into Labour Market Programs 1985, *Report of the Committee*, AGPS, Canberra.

Commonwealth of Australia 1994, *Working Nation: The White Paper on Employment & Growth*, AGPS, Canberra.

Commonwealth of Australia 1994, *Working Nation: Policies and Programs*, AGPS, Canberra.

Cox, E. 1995, *A Truly Civil Society*, Boyer Lectures, Australian Broadcasting Corporation.

Crossly, L. 1990, *Children and the Future of Work*, Child Poverty Policy Review No.3, Brotherhood of St Laurence, Melbourne.

Dawkins, P. 1996, *The Distribution of Work in Australia*, The Ronald Henderson Inaugural Lecture, University of Melbourne, May.

DEET 1990, *Program Monitoring Report*, Canberra.

DEET 1993, *Australian Traineeship System: Consolidated Evaluation Report*, Canberra.

DEET 1994 *Newstart Evaluation*, Interim report on effectiveness, Evaluation and Monitoring Branch, EMB Report 8/93, Canberra.

DEET 1994a, *Working Nation: Policies and Programs*, AGPS, Canberra.

DEET 1994b, *Summary Evaluation of Jobtrain: 1990 to 1993*, AGPS, Canberra.

DEET 1995a, *Working Nation Evaluation Strategy*, Economic and Policy Analysis Division, EMB Report 1/95, Canberra.

DEET 1995b *Submission to Senate Employment, Education and Training References Committee Inquiry into Long-Term Unemployment*, Canberra.

DEET 1995c *Working Nation, The First Year, 1994–95*, Canberra.

Department of Industrial Relations 1994, *Enterprise Bargaining in Australia*, AGPS, Canberra.

Department of Social Security 1995a, *Information Handbook*, AGPS, Canberra.

Department of Social Security 1995b, *Annual Report*, AGPS, Canberra.

DSS, DEET, & DHHCS 1992, *Jobs, Education and Training (JET) Evaluation Report*, Policy Research Paper No.62, Canberra.

Dilnot, A. 1990a, 'The distribution and composition of personal sector wealth in Australia', *The Australian Economic Review*, no.2, pp.22-26.

Dilnot, A. 1990b, 'From most to least: new figures on wealth distribution' in *Australian Society*, July, pp.13–17.

Dixon, D. 1988, *Unemployment: The Economic and Social Costs*, Brotherhood of St Laurence, Melbourne.

Dixon, D. 1992, *Unemployment: The economic and social costs*, Research for Action No.1, Brotherhood of St Laurence, Melbourne.

Economic Planning & Advisory Council 1992, *Unemployment in Australia*, Council Paper No.51, AGPS, Canberra.

Edgar, D. 1988, *The Social Cost of Not Caring for our Children*, address delivered to the Bicentennial National Conference of the Australasian Association of Senior Educational Administrators, Hobart.

Encel, D. 1989, *Unemployment in Australia: An annotated bibliography, 1983–1988*, SWRC Research Resource Series No.6, Social Welfare Research Centre, University of NSW, Sydney.

Federal Coalition Youth Policy, released 20 February 1995, Melbourne.

Finn Committee 1991, *Young People's Participation in Post-Compulsory Education and Training*, AGPS, Canberra.

Fitzgerald, V.W 1993, *National Saving: A Report to the Treasurer*, AGPS, Canberra.

Forrest, J. 1995, 'Social impacts of economic restructuring in Australia' in *The Australian Quarterly*, vol.67, no.2, pp.43–54.

Flatau, P., Philip, E., Rushton, L. & A. 1991, 'The macoeconomic consequences of long-term unemployment', *The Australian Economic Review*, 4th Quarter, pp.48–56.

Freeland, J. 1991, 'Dislocated Transitions: Access and Participation for Disadvantaged Young People', *Young People's Participation in Post-Compulsory Education and Training*, Report of the Australian Education Council Review Comittee, July V.3, AGPS, Canberra.

Gilbert, B. 1994, *Jobs or Health*, Proceedings of the 1994 National Conference on Unemployment, Australian Academic Press, Brisbane.

Gilley, T. 1994, *How do we help Jane and Hui? The impact of poverty on the life chances of children*, Paper to the International Year of the Family Conference, Adelaide.

Green, R. 1995a, 'Young Australians – Making the Future Work', *National Youth Employment Roundtable*, 24 February,Adelaide.

Green, R. 1995b, *How manufacturing can help young people to get high wage jobs*, unpublished paper, August, University of Newcastle.

Gregory, R. 1992, Presentation on Economic Restructuring and Job Loss to April Public Forum of the Victorian Social Justice Consultative Council, Department of the Premier and Cabinet, Melbourne.

Griffith, J. 1987, 'Long-term unemployed youth', *Youth Studies & Abstracts*, vol.6, no.2, pp.16–19.

Harding, A. 1995, Paper presented to an Industry Commission Conference, Melbourne, November.

Harris, P. 1989, *Child Poverty, Inequality and Social Justice*, Child Poverty Policy Review No.1, Brotherhood of St Laurence, Melbourne.

Hartley, R. 1988, 'Youth incomes and living costs', *Family Matters*, no.21, p.18.

Hartley, R. 1989, *What Price Independence? A report of a study of young people's income and living costs*, Youth Affairs Council of Victoria & Australian Institute of Family Studies, Melbourne.

Hartley, R. 1992, 'What unemployment means: Young people and their families', *Family Matters*, no.33, pp.19–21.

Hartnett, B 1995, 'New opportunities for young people' Paper presented at 'Jobs for Young Australians' Conference, Adelaide, August.

Hicks, R., Creed, P., Keogh, D. & Tomlinson, J. 1994, *Unemployment/Challenges & Solutions*, Proceedings of the 1994 national Conference on Unemployment, Brisbane.

Hill, J. & Phillips, C. 1991, 'Rural people in times of recession' in *Children Australia*, vol.16, no.4, pp.4–13.

House of Representatives Standing Committee on Employment, Education and Training 1995, *A Best Kept Secret, Report on the Role and Effectiveness of Group Training Companies*, AGPS, Canberra.

Hughes, H. 1995, 'Prescription for full employment', *The Age*, 23 September, p.G3.

Human Rights & Equal Opportunity Commission (Burdekin Report) 1989, *Our Homeless Children: Report of the National Inquiry into Homeless Children*, AGPS, Canberra.

Huston, A. (ed.) 1991, *Children in Poverty: Child Development and Public Policy*, Cambridge University Press, Cambridge.

Hutson, S. & Jenkins, R. 1987, 'Family relationships and the unemployment of young people in South Wales' in M. White (ed.), *The Social World of the Young Unemployed*, Policy Studies Institute, London.

Hutton, W. 1995, *The State We're In*, Jonathon Cape, London.

Indecs. 1992, *State of Play*, Allen and Unwin, Sydney.

Jackson, S. & Crooks, M. 1993, *Existing But Not Living: A research project canvassing the attitudes, expectations, aspirations and views of long-term unemployed Australians*, Brotherhood of St Laurence, Melbourne.

Jamieson House Employment Group 1996, *Redistributing Work: Solutions to the paradox of overwork and unemployment in Australia*. The Australia Institute Discussion Paper Number 7, June.

Jarvie, W. & McKay, R. 1993, *Perspectives on DEET Labour Market Programs*, Paper presented to the Conference 'Unemployment: Causes, Costs and Solutions', EMB Report 1/93, Canberra.

Jones, B. 1982, *Sleepers, Wake! Technology & the future of work*, Oxford University Press, Melbourne.

Jones, B. 1992, 'The future of work', *Community Quarterly*, 26, 9-16.

Junankar, P. & Kapuscinski, C. 1991, *The Incidence of Long-Term Unemployment in Australia*, Discussion Paper No.249, Centre for Economic Policy & Research, ANU, Canberra.

Junankar, P. & Kapuscinski, C. 1992, *The Costs of Unemployment*, Economic and Planning Council, Canberra.

Kapstein,E 1996, quoted in 'Jobs Crisis: The Solution,' *The Weekend Australian*, June 22-23, p.25.

Kelly, M. 1993, 'Training needs of the long-term unemployed, SkillShare and young people', *Impact*, vol.23, no.5, pp.17–20.

Kelly, P. 1993, *Australia's Young People – A Statistical Profile*, National Youth Affairs Research Scheme & Australian Bureau of Statistics, Melbourne.

Kenyon, P. 1993, 'Policy forum on long-term unemployment: Introduction', *The Australian Economic Review*, 2nd Quarter, pp.19-21.

Kenyon, P. 1994, 'Restoring full employment: Backing an outsider', *The Australian Economic Review*, 1st Quarter, pp.31–46.

Kenyon, P. 1994, 'The Job Compact: What does the international evidence on active labour market policies suggest about the likelihood of its success?', *Australian Bulletin of Labour*, vol.20, no.4, pp.272–297.

Kilmartin, C. 1986, 'Not working, trying: Employment Disadvantage in Australia', *Australian Institute of*

Family Studies Newsletter, no.16, pp.17-19.
Lampugnani, R. 1994, 'Disadvantaged children of immigrants: A longitudinal study', *BIR Bulletin*, 11, pp.28-30.
Langmore, J. & Quiggin, J. 1994, *Work For All: Full Employment in the Nineties*, Melbourne University Press, Melbourne.
Lyon, P. 1992, *The Health of Young Aborigines: A Short Report for Aboriginal Communities*, National Youth Affairs Research Scheme, National Clearinghouse for Youth Studies, Hobart.
Madden, R. 1992, *Births Australia 1991*, Australian Bureau of Statistics, Catalogue No.3306.0.
Mathers, C. 1992, *Unemployment and Health: What does the Australian population data tell us?* Australian Institute of Health and Welfare.
Mathews, R. 1994, *Increase Government ... and Employment!*, unpublished paper.
Mathews, R. 1996, 'Financial Markets and Failed Economic Policies' in *Dialogues on Australia's Future: in Honour of the late Professor Ronald Henderson*, P. Sheehan, B. Grewal & M. Kumnick (eds), Centre for Strategic Economic Studies, Victoria University of Technology, Melbourne, forthcoming publication.
Matwijiw, P. 1985, *Atlas of Youth Unemployment 1981*, Australian Institute of Multicultural Affairs, Melbourne.
McClelland, A. 1988, *Ending Child Poverty: Budget Policy Options*, Brotherhood Comment, Brotherhood of St Laurence, Melbourne.
McClelland, A. & Sheen, V. 1988, *Unemployment: the Reform of Benefits and Training*, Policy in Practice No.3, Brotherhood of St Laurence, Melbourne.
McClelland, A. 1993, 'Long-Term Unemployment: Costs and Responses', *The Australian Economic Review*, 2nd Quarter, pp.26-30.
McCormack, D. 1993, *Durations of Youth Unemployment & Probability of Transition to Employment*, Discussion Paper No.4/93, Department of Economics, La Trobe University, Melbourne.
MacDonald, H. 1995, 'Life after Jobskills' in *Brotherhood Comment*, 5–6, Brotherhood of St Laurence, Melbourne.
Mackenzie, D. & Chamberlain, C. 1992, 'How Many Homeless Youth?', *Youth Studies Australia*, vol.11, no.4, pp.14–22.
McDonald, B. 1992, 'Unemployment statistics – figure it out', *Impact*, vol.22, no.7, pp.18–19.
McDonald, P. 1992, 'Families and young people in Australia: Issues for research', *Family Matters*, no.31, pp.22–25.
McDonald, P. & Brownlee, H. 1992, 'Living day to day: Families in the Recession', *Family Matters*, no.31, pp.8–13.
McDonald, P. 1993, *Family Trends and Structure in Australia: Australian Family Briefing No 3*, Australian Institute of Family Studies, Melbourne.
McDonald, P., Brownlee, H. & Greenblat, E. 1994, 'Education and training for young people: Derterminants of participation', *Family Matters*, no. 38.
McDonald, P. 1995, 'Creating Jobs: Where they are needed when they count', *Australian Urban and Regional Development Review*, Discussion Paper 3.
McRae, S. 1987, *Young & Jobless: The social and personal consequences of long-term youth unemployment*, Policy Studies Institute, Oxford.
Miller, P. 1983, *The Role of Labour Costs in the Youth Labour Market: An overview of evidence*, Discussion Paper No.65, Centre for Economic Policy & Research, ANU, Canberra.
Miller, P. & Volker, P. 1987, *The Youth Labour Market in Australia: A survey of issues and evidence*, Discussion Paper No.171, Centre for Economic Policy & Research, ANU, Canberra.
Miners, S., Clarke-Lewis, M. & Taplin, B. 1995, 'Australian Infrastructure Investment: How Much is Enough?' Paper presented to the 24th Conference of Economists, Adelaide, 25–27 September.
Mitchell, M. 1993, 'Unemployment is too costly', *Impact*, no.23, pp.1,2.
National Board of Employment, Education and Training 1991, *Assistance for Disadvantaged Jobseekers*, AGPS, Canberra.
National Youth Employment Roundtable 1995, *Young Australians-Making the Future Work Project*, unpublished proceedings, Adelaide.
Novus Research 1994, *Reshaping Australian Government, Volume One*, Community and Public Sector Union, Melbourne.
Novus Research 1995, *Reshaping Australian Government, Volume Two*, Community and Public Sector Union, Melbourne.
OECD 1994, *The OECD Jobs Study: Facts, Analysis, Strategies*, OECD, Paris.
Oldfield, N. 1993, *The Cost of a Child: Living standards for the 1990s*, Poverty Pamphlet No.85, Child Poverty Action Group, London.
Roberts, M. 1996, 'White and Beautiful', *The Bulletin*, 26 March.
Room, G., Lawson, R. & Laczko, F. 1989, 'New Poverty in the European Community', *Policy and Politics*, vol.17, no.2, pp.165–176.
Ross, R. & Whiteford, P. 1992, 'Poverty in 1986: Aboriginal families with children', *Australian Journal of Social Issues*, vol.27, no.2, pp.92–111.
Santamaria, B.A. 1996, 'Jobs Crisis: The Solution', *The Weekend Australian*, 22–23 June, p25.
Saunders, P. 1990, *Employment Growth and Poverty: An Analysis of the Australian Experience 1983-1990*, Discussion Paper No.25, Social Policy Research Centre, University of New South Wales.

Saunders, P. & Matheson, G. 1991, *An Ever-Rising Tide? Poverty in Australia in the eighties*, Discussion Paper No.30, Social Policy Research Centre, University of New South Wales.

Sawhill, I. 1988, Poverty in the U.S.: Why is it so persistent?, *Journal of Economic Literature*, vol.XXVI, September, 1073–119.

Sawyer, M., Sarris, A., Baghurst, P., Cornish, C. & Kalucy, R. 1990, 'The Prevalence of Emotional and Behaviour Disorders and Patterns of Service Utilisation in Children and Adolescents', *Australian and New Zealand Journal of Psychiatry*, 254, pp.323–30.

Senate Standing Committee on Employment, Education & Training 1992, *Wanted: Our Future*, Report into the Implications of Sustained High Levels of Unemployment among Young People (15–24 years old), AGPS, Canberra.

Sheen, V. 1988, *A Fair Chance in Education*, Policy in Practice 1, Brotherhood of St Laurence, Melbourne.

Sheen, V. & Trethewey, J., 1991, *Unemployment in the Recession: Policies for Reform*, Brotherhood Comment, Brotherhood of St Laurence, Melbourne.

Sloan, J. 1993 'Some policy responses to long-term unemployment', *The Australian Economic Review*, 2nd Quarter, pp.35-40.

Sloan, J. 1994, 'A whiter shade of green: An analysis of the Green Paper on employment opportunities', *Australian Bulletin of Labour*, vol.21, no.1, pp.66–79.

Social Justice Consultative Council 1991, *Training for Better Work Opportunities*, Department of the Premier & Cabinet, Melbourne.

Social Justice Consultative Council 1992, *Economic Restructuring and Job Loss*, Department of the Premier & Cabinet, Melbourne.

Spierings, J. 1995, *Young Australians in the Working Nation. A Review of Youth Employment Policies for the 1990s*, Social Justice Research Foundation Series 2, Paper No.1, University of Adelaide.

Spierings, J. (ed.) 1995, *Investing in Australia's Future*, Key Policy Outcomes from the Jobs for Young Australians Conference, Adelaide.

Stevenson, B. 1992, *Youth Unemployment: The lost generation?* Background Information Brief No.24, Queensland Parliamentary Library, Brisbane.

Stiglitz, J. 1996, quoted in 'Go Easy on Budget', *The Age*, Business Section:1, May.

Stilwell, F. 1996, *114 Economists Criticise Government's Policy*, University of Sydney, 5 July.

Stretton, A. & Chapman, B.J. 1990, *An Analysis of Australian Labour Market Programs*, paper prepared for the National Board of Employment Education and Training Conference, November, Coffs Harbour New South Wales.

Sweet, R. 1987, *The Youth Labour Market: a Twenty Year Perspective*, The Curriculum Development Centre, Canberra.

Sweet, R. 1991, *The Youth Labour Market*, paper presented to the 1991 Youth Affairs Conference, July, Dusseldorp Skills Forum, Sydney.

Townsend, P. 1987, 'Deprivation', *Journal of Social Policy*, April.

Trethewey, J. 1989, *Aussie Battlers: Families and Children in Poverty*, Brotherood of St Laurence, Melbourne.

Turley, P. 1992, 'Observing the gap', *Impact*, vol.22, no.7, pp.11–14.

UNICEF 1994, *The Progress of Nations*, UNICEF, New York.

Uniya 1993, *The Employment White Paper: A new social charter*, Discussion Paper No.1, Sydney.

Victorian Council of Social Service (VCOSS) 1992, *VCOSS Submission to the Federal Government's 1992 Economic Statement*, Paper No.9, VCOSS, Melbourne.

Vipond, J., Bradbury, B. & Encel, D. 1987, 'Unemployment and Poverty: Measures of Association', *Australian Bulletin of Labour*, June, pp.179–91.

Watson, I. 1994, 'Music while you work: Teenage women in the Australian labour market, 1947 to 1992', *Australian Journal of Social Issues*, vol.29, no.4, pp.377–406.

Webber, M. 1994, *Restructuring Industry in Victoria and Australia*, Bulletin of Society and Economy No.3, The Victoria Foundation, Melbourne.

White, R. 1994, 'The making of a youth underclass', *Youth Studies Australia*, vol.13 no.1, pp.19–23.

Whiteford, P. 1987, 'Unemployment and families' in *Australian Bulletin of Labour*, vol.14, pp.338–57.

Whiteford, P., Bradbury, B. & Saunders, P. 1988 *Inequality and Deprivation among Families with Children: An Exploratory Study*, Paper presented to the conference on Child Poverty in Australia, 8–9 April.

Williams, T. 1987, *Participation in Education*, ACER Research Monograph No.30, Australian Council for Educational Research, Melbourne.

Wilson, B. 1992, 'The travesty of youth wages', *Impact*,vol.22, no.7, pp.13–14.

Winderlich, D. 1991, *Surplus to Requirements*, Youth Affairs Council of South Australia, Adelaide.

Youth Accommodation Coalition of Victoria 1995, *Six Years Since Burdekin: Youth homelessness in the nineties*, Melbourne.

Youth Affairs Council of Victoria 1987, *Positive Strategies for Youth Unemployment*, Proceedings of the Seminar, A Whole Bloody Day of Unemployment, Melbourne.

BEST COPY AVAILABLE